SAN FRANCISCO PUBLIC LIBRARY
3 1223 09321 1317

5/S

5 / S

*San Francisco Public Library*

Government Information Center
San Francisco Public Library
100 Larkin Street 5th Floor
San Francisco, CA 94102

REFERENCE BOOK
*Not to be taken from the Library*

Digitized by the Internet Archive
in 2017 with funding from
California State Library Califa/LSTA Grant

https://archive.org/details/minutes2011sanf

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**January 18, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT

FEB - 2 2011

SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR SECTION | AGENDA ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of December 21, 2010 | 11-0001 | 4 |
| D. | | ANNOUNCEMENT BY SECRETARY: | | |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 4 |
| F. | | POLICY: | | |
| | 1. | Approval of Airport Transborder Policy | 11-0003 | 4-5 |
| G. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Modification No. 1 to Contract 8974A - Boarding Area E Refurbishment - Hensel Phelps | 11-0002 | 5-7 |
| | 3. | Commence RFP Processes for Six Retail Concession Leases | 11-0004 | 7 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 4. | Approve New lease and Use Agreements Effectuve July 1, 2011 with Airlines | 11-0005 thru 11-0012 | 7 |
| | 5. | Modification No. 4 to Marketing Services Contract with the M-Line | 11-0013 | 7 |
| | 6. | Authorization to Issue a RFP - Contract 8792C - Program Support Services for Runway Safety Area | 11-0014 | 8 |
| | 7. | Enter into Negotiations for Contract 8622 - Professional Engineering Services for Geotechnical Consultant - ENGEO/GTC, JV | 11-0015 | 8 |
| | 8. | Modification No. 1 to Professional Services Contract 8989 - R.W. Block Consulting, Inc. | 11-0016 | 8 |
| | 9. | Award Garage Taxi Staging Are Mobile Catering Truck Lease - K-Delight | 11-0017 | 8 |
| | 10. | Consent to Assignment of Boarding Area F Pharmacy, health and Beauty Store Lease | 11-0018 | 8 |

| | | | | |
|---|---|---|---|---|
| | 11. | Consent to Transfer Food & Beverage Lease 04-0188 from Bassam and Nancy Shihadeh to Amoura International, Inc. | 11-0019 | 9 |
| I. | | NEW BUSINESS: | | 9 |
| J. | | CORRESPONDENCE: | | 9 |
| K. | | CLOSED SESSION:<br>Potential Litigation | | 9 |
| L. | | ADJOURNMENT: | | 9 |

AIRPORT COMMISSION MEETING MINUTES
January 18, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 21, 2010 were adopted unanimously.

No. 11-0001

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution No. 10-0358 regarding the settlement of an unlitigated claim: Municipal Executives Association / John Payne v. City and County of San Francisco on terms recommended by the City Attorney at the closed session of December 21, 2010.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. POLICY:

Item No. 1 was approved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Approval of Airport Transborder Policy

No. 11-0003 Resolution approving a Transborder Policy for flights to and from Canada and Mexico.

Me. Leo Fermin, Deputy Director, Business and Finance explained that this policy is aimed at making SFO more competitive with other airports with service to Canada and Mexico. For example, air fares to Mexico are often cheaper by connecting through LAX or Phoenix, where the costs are lower. As background, and to illustrate a similar change which has been successful, several years ago we were trying to attract low cost carriers to come to SFO and operate out of the International Terminal. The International Terminal is operated on a common-use basis, with the international airlines being charged for the terminal facilities on a joint-use basis in which 80% of the terminal rents are allocated to airlines on the basis of passenger share, and 20% is allocated equally among the airlines. To attract low cost carriers into SFO to the International Terminal, the Commission approved a policy for charging domestic turn fees for domestic flights. This turn fee was based on the average cost per turn to operate in the domestic terminals. The turn fee is less than what the domestic carriers would have paid on the joint-use basis. It was instrumental in enabling two low cost carriers to operate successfully out of the International Terminal.

In order to make flights to Mexico and Canada more competitive with rates charged at other airports, we now request the Commission adopt a similar policy for transborder flights. Under this policy, an airline with one daily flight in the International Terminal will have a cost reduction of about 40%.

The key points of the policy are:

- Transborder flights can depart out of any terminal ... the International Terminal or any of the domestic terminals.
- Flights from Canada that are precleared by U.S. Customs and Border Protection can arrive in a domestic terminal.
- Flights from Mexico must arrive in the International Terminal.
- Similar to the domestic turn fee in the International Terminal, transborder flights will be charged on a turn basis, plus a charge from SFOTEC, the airline consortium which operates the equipment.
- There will be a charge for the use of the Federal Inspection area for flights arriving in the International Terminal.

The transborder turn fees which we collect will be applied towards the total joint use revenue requirement for the International Terminal. If we are not successful in attracting additional Mexico service, we will discontinue this at the end of December. If we believe the policy should continue, then we will return to the Commission for approval to continue it.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was approved by Commissioner Guggenhime and seconded by

Commissioner Stern. The vote to approve was unanimous.

2. Modification No. 1 to Contract No. 8974A - Boarding Area E Refurbishment - Hensel Phelps Construction Company - $785,553

No. 11-0002 — Resolution approving Modification No. 1 to Contract 8974A, Boarding Area E Refurbishment with Hensel Phelps Construction Co. in the amount of $785,553, for a new total contract amount of $3,648,053, to provide for additional design services for additional scopes of work requested by the Airport to improve upon the maintainability of the facility, improve airline operations efficiency, and provide airline systems infrastructure similar to the standard set in the Terminal 2 program.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said that this modification provides for additional design services from the design-build team to incorporate scope determined to be desirable to meet Airport long-term objectives.

The design-build approach was selected by the Airport to accommodate a fast-track schedule requirement for returning the Boarding Area E gates back to airline operations following the relocation of American Airlines into Boarding Area D, and the subsequent modest renovation of the Boarding Area E facility. With American's move-out, the facility will be completely vacant, thus providing the opportunity to more thoroughly improve the facility to extend its useful life, improve upon the maintenance life cycle costs, and to provide the airlines and the Airport with an infrastructure similar to the standard set in Terminal 2.

Given these objectives, staff has negotiated the fixed fee of $785,553 with Hensel Phelps to provide the requested design services. The estimated construction cost of the proposed improvements is $12 million, which increases the forecast design-build contract amount to $35,850,000. The negotiated amount for the additional services is 6.5% of the estimated construction value, which is within the Airport standard.

Hensel Phelps is committed to delivering the project with the additional scope within the original contract duration of 572 days to substantial completion.

With the design-build approach, as with the base contract scope, the additional scope will be competitively bid through the trade bid package process, to a minimum of three prequalified bidders, and in accordance with the Design-Build Ordinance.
Staff has reviewed and approved the addition of the scopes of work to the Boarding Area E project.

The LBE subcontracting goal for the design portion is 20%. The contractor is committed to achieving 27% participation on the base contract design scope, and maintaining it through this modification.

Funding will be provided from the Airport's capital improvement project budget.

Staff is currently evaluating an additional scope item pertaining to the renovation of the Boarding Area E tunnel connector between the terminal and garage, given the opportunity that exists with the substantially reduced passenger flow in this area. After determining the cost and schedule impacts, we may return to the Commission with a recommendation to incorporate this work into the contract as well.

Item No. 3 was approved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Authorization to Commence the Request for Proposal Processes for Six (6) Retail Concession Leases

| | |
|---|---|
| No. 11-0004 | Resolution approving the proposed minimum qualifications and lease specifications, and authorizing staff to commence the Request for Proposal Process for six (6) retail concession leases at San Francisco International Airport. |

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 11, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Approval of New Lease and Use Agreements Effective July 1, 2011 with Airlines Operating at San Francisco International Airport

| | |
|---|---|
| No. 11-0005 thru No. 11-0012 | Resolutions approving new lease and use agreements with ABX Air, Inc., Air Berlin, Air Cargo Carriers, LLC, Air Canada, Air New Zealand, Ameriflight, LLC, Hawaiian Air, and Lan Peru, effective July 1, 2011. |

5. Modification No. 4 to the Marketing Services Contract with the M-Line to Increase the Amount by $700,000

| | |
|---|---|
| No. 11-0013 | Resolution approving Modification No. 4 to the Marketing Services Contract with the M-Line, an LBE firm, to retain and develop airline service and support revenue-generating SFO divisions, in the amount of $700,000, for a new total not to exceed contract of $5.257 million and to extend the term from July 15, 2011 to September 15, 2011. |

6. Authorization to Issue a Request for Proposal for Contract No. 8792C - Program Support Services for Runway Safety Area

No. 11-0014 — Resolution authorizing staff to issue a request for proposal for Contract No. 8792C, Program Support Services for Runway Safety Area (RSA) and to negotiate with the highest ranked proposer.

7. Authorization to Enter Into Negotiations for Contract No. 8622 - Professional Engineering Services - Geotechnical Consultant - ENGEO/GTC, JV

No. 11-0015 — Resolution authorizing staff to enter into negotiations for Contract No. 8622, Professional Engineering Services - Geotechnical Consultant with ENGEO/GTC, JV.

8. Modification No. 1 to Professional Services Contract No. 8989 with R.W Block Consulting, Inc. for an Additional Two Years for Airport Management and Consulting Services Related to Capital Improvement Project Cost Reports and Passenger Facility Charges (PFC) Applications - $145,000

No. 11-0016 — Resolution approving Modification No. 1 to Professional Services Contract No. 8989 with R.W. Block Consulting, Inc. for an additional two years of Airport Management and Consulting Services and to increase the not-to-exceed contract amount by $145,000, from $80,000 for a new total not to exceed contract amount of $225,000 for capital improvement project cost reporting and Passenger Facility Charges (PFC) analysis.

9. Award of the Garage Taxi Staging Area Mobile Catering Truck Lease to K-Delight

No. 11-0017 — Resolution awarding the Garage Taxi Staging Area Mobile Catering Truck Lease to K-Delight, for a minimum annual guarantee of $72,600 for the first year of the Lease, subject to adjustment upwards.

10. Consent to Assignment of Boarding Area "F" Pharmacy, Health, and Beauty Store Lease No. 08-0133

No. 11-0018 — Resolution consenting to the assignment of Boarding Area "F" Pharmacy, Health, and Beauty Store Lease 08-0133 from Harmony Pharmacy and Health Center, Inc. to Harmony Health & Beauty, Inc. under the existing terms and conditions.

11 Consent to Transfer Food and Beverage Lease 04-0188 from Bassam and Nancy Shihadeh to Amoura International, Inc.

No. 11-0019 — Resolution consenting to the transfer of Food and Beverage Lease No. 04-0188 from Bassam and Nancy Shihadeh to Amoura International, Inc. under the existing terms and conditions.

* * *

I. NEW BUSINESS:

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:15 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

February 1, 2011

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
President
**LINDA S. CRAYTON**
Vice President
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
Airport Director

GOVERNMENT
DOCUMENTS DEPT
FEB 23 2011
SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of January 18, 2011 | 11-0020 | 4 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | |
| E. | | POLICY: | | |
| | 1. | Policy on Development of Cargo Facilities | 11-0021 | 4-5 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Modification No. 1 to Central Plant Valve and Pipe Replacement - Evra Construction | 11-0022 | 5-6 |
| | 3. | Six-Month Trial of an Airport Employee Cafeteria - Amoura International, Inc. | 11-0023 | 6-7 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 4. | Authorize Staff to Seek, Accept and Expend Funds from California Energy Commission for Supplemental Costs Associated with an Advanced Hydrogen Vehicle Fueling Complex | 11-0024 | 7 |
| | 5. | Authorization to Conduct Negotiations with Highest Ranked Proposal - Contract 9007A - FAA Airports Geographic Information System Pilot Project | 11-0025 | 7-8 |
| | 6. | Modification No. 3 to Professional Services Contract - Gerchick Murphy Associates to Provide Continued International Aviation Development Services | 11-0026 | 8 |
| | 7. | Award Rapid Charging Stations Lease - Smarte Carte | 11-0027 | 8 |
| | 8. | Approve Time Extension - Contract 8617 - Runway 10L-28R Overlay and Reconstruction - Granite Rock Co., dba Pavex Construction | 11-0028 | 8 |
| | 9. | Authorization to Issue RFP - Domestic Terminal Automated Retail Vending Lease | 11-0029 | 8-9 |
| | 10. | Rent Credit for Lori's Diner | 11-0030 | 9 |

| | | | | |
|---|---|---|---|---|
| | 11. | MOU with C/CAG of San Mateo County | 11-0031 | 9 |
| H. | | NEW BUSINESS: | | |
| | | Custodian of the Year | | 9 |
| I. | | CORRESPONDENCE: | | 9-10 |
| J. | | CLOSED SESSION: | | |
| | | Potential Litigation | | 10 |
| K. | | ADJOURNMENT: | | 10 |

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of January 18, 2011 were adopted unanimously.

No. 11-0020

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. POLICY:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Policy on Development of Cargo Facilities

No. 11-0021 — Resolution establishing a policy that any new or expanded cargo facility be developed and owned by the Airport.

Mr. John L. Martin, Airport Director said that SFO has one of the smallest amount of land of any major airport in the country with only 2,200 acres of developable land. As such we have always sought to maximize control of facilities and we've done that by financing and maintaining ownership of our facilities. The terminal

facilities have always been developed by the Airport, allowing us to enter into shorter term agreements with the airlines and affording us the opportunity to accommodate new entrant airlines. Not all airports do this. JFK, Atlanta, and LAX have some terminal buildings developed by airlines. O'Hare, for example, has terminals developed by airlines and the gates are under the control of the existing carriers. Consequently, new entrants like Virgin America, can't get into O'Hare. Since we control our facilities we're able to avoid that kind of situation and we are able to accommodate new entrants. We have that same philosophy on all of our facilities, only allowing airlines to develop cargo buildings over the years, although we ceased that practice in 1980. All of the new cargo buildings since that time (two new cargo buildings in about the last ten years) were developed and financed by the Airport. In the 80's we had times when the airlines that had developed cargo buildings under 40 year leases and still had control over those buildings refused to accommodate other carriers. Western and Delta each had a cargo building prior to the merger, but then needed only one building. They refused to lease the other building to another carrier, so we had a vacant cargo building with carriers wanting cargo space and there was nothing the Airport could do about it. Carriers had to go off Airport. We want to control the space as much as possible to make sure that the needs of all carriers can be met. We can finance the facilities at a very low cost ... 4% is our cost of capital and that is remarkably low. An Airline could not come close to being able to borrow money at that price, nor could a developer.

It's also consistent with a Commission policy in support of common use cargo leasing adopted in 2007. The Commission also previously authorized staff to proceed with a second West Field cargo development in 2004. We put that on hold following an informal agreement with the airlines that we only develop cargo and terminal space according to a just on time philosophy. When carriers are ready to sign on to space, we begin development. That's what we did in Terminal 2 for Virgin America and American. A couple of carriers are close to making a commitment on cargo development but are probably still a couple of years away. We'll wait until we have those signatures before developing a new cargo building.

This policy is consistent with prior Commission action and is consistent with a long held philosophy at the Airport in controlling our facilities.

Commissioner Johns commented that it's similar to how we developed the International Terminal and Terminal 2.

Mr. Martin replied it's the same approach. Some airports use a developer that controls all the restaurants. We don't even follow that model.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Modification No. 1 to Contract 8804 - Central Plant Value and Pipe Replacement - Evra Construction, Inc. - $333,000

No. 11-0022 Resolution approving modification No. 1 to Contract 8804, Central Plant Valve and Pipe Replacement with Evra Construction, Inc. in an amount not to exceed $333,000 for a new total contract amount not to exceed $1,088,000.

Mr. Jackson Wong, COO explained that the original budget for this item was $755,000; the modification amount requested is $333,000, for a revised budget of $1,088,000. The purpose of this project is to replace deteriorated valves and pipes within the Central Plant. Modification No. 1 will reroute and relocate two 4" and four 2" conduits and perform waterproofing repair in a cross over tunnel that connects the existing pipes between two cooling towers. The electrical conduits were found after we demolished the existing pipe ... they were underneath the pipe that was removed. This work will require five nights of electrical shutdown and must be performed before the new 24" and 30" pipes are installed. The LBE subcontracting participation goal for this contract is 10%. Evra Construction committed to a goal of 27.5% LBE participation including Modification No. 1.

Commissioner Guggenhime asked if there is a dollar amount with all contract modifications.

Mr. Martin responded that the Commission approves Type 1 modifications with construction contracts.

Commissioner Johns noted that there is an item on the Consent Calendar that went over the Type 1 modification.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Six-Month Trial of an Airport Employee Cafeteria - Amoura International, Inc.

No. 11-0023 Resolution authorizing a six-month trial with Amoura International, Inc. for the operation of an Airport employee cafeteria.

Mr. Gary Franzella, Associate Deputy Director, Aviation Management said that we are seeking approval of a six month trial for an employee cafeteria at the pre-security entrance to Boarding Area B. The Commission approved closing that food court in September. A cafeteria was a strong suggestion that came out of a Reaching for Number 1 survey of Commission and non-Commission employees.

Commissioner Johns asked if this will be for employees only.

Mr. Franzella replied that it will be closed off and available to employees only.

Commissioner Johns asked if employees had any input into the menu.

Mr. Franzella replied that we have had some input through surveys. The key driver

will be the cost compared to the discounts that are offered at other terminal food and beverage outlets.

Commissioner Johns said that it was a great idea.

Commissioner Mazzola asked if the purpose of the trial is to determine employee usage.

Mr. Franzella responded that our food and beverage operators don't have high hopes that this will be revenue making and that's why it's a six month trial. Amoura agreed to the trial during which he will be able to look at what was sold, and what the profit margins are.

Commissioner Stern asked if we anticipate success with the trial will we add similar facilities in other terminals.

Mr. Franzella responded that we see how it works in Terminal 1 and then look for other opportunities.

Commissioners Mazzola and Johns hoped that the trial works.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 11, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Authorize Staff to Seek, Accept and Expend Funds from the California Energy Commission for Supplemental Costs Associated with an Advanced Hydrogen Vehicle Fueling Complex

| | |
|---|---|
| No. 11-0024 | Resolution authorizing Airport staff to seek, accept, and expend up to $100,000 from the California Energy Commission for added infrastructure costs associated with advanced hydrogen vehicle fueling at SFO. |

5. Authorization to Conduct Negotiations with the Highest Ranked Proposal for Contract 9007A - FAA Airports Geographic Information System Pilot Project

| | |
|---|---|
| No. 11-0025 | Resolution authorizing staff to conduct negotiations for Contract 9007A, FAA Airports Geographic Information System Pilot Project with the highest ranked proposer. |

Commissioner Johns asked if this will return to the Commission for award.

Mr. Wong replied that it will. Language requesting authorization to negotiate was inadvertently left out of the request to issue an RFP, so we are requesting it now.

6. Modification No. 3 to Professional Services Contract with Gerchick Murphy Assoc. to Provide Continued International Aviation Development Services - $50,000

No. 11-0026 — Resolution approving Modification No. 3 to Professional Services Contract with Gerchick Murphy Associates to increase amount by $50,000 in the fiscal year ending June 30, 2011, for a new total not-to-exceed amount of $705,000 for continued International Aviation Development services.

7. Award of the Rapid Charging Stations Lease - Smarte Carte - MAG: $1,204

No. 11-0027 — Resolution awarding the Rapid Charging Stations Lease to Smarte Carte, Inc. with a MAG of $1,204. for the first lease year, and a term of three years with two one-year options exercisable at the Commission's sole and absolute discretion.

8. Approve Time Extension for Contract No. 8617 - Runway 10L-28R Overlay and Reconstruction - Granite Rock Company, dba Pavex Construction

No. 11-0028 — Resolution requesting approval of a time extension for Contract 8617, Runway 10L-28R Overlay and Reconstruction with Granite Rock Company, dba Pavex Construction.

Commissioner Johns asked if Pavex was being given an additional 540 days.

Mr. Wong replied that 540 is the total number of days. On a previous modification the Commission authorized us to receive stimulus funding. Projects needed to be shovel ready.

Commissioner Johns asked if the work has begun.

Mr. Wong replied that it had to be designed and then we had weather delays. The work is on the runway so our time is very limited.

9. Authorization to Issue A Request for Proposals for the Domestic Terminal Automated Retail Vending Lease

No. 11-0029 — Resolution approving the revised minimum qualifications and lease specifications, and authorizing staff to accept proposals for the Domestic

Terminal Automated Retail Vending Lease.

10. Rent Credit for Lori's Diner International, Inc. - $60,715

No. 11-0030 — Resolution approving a rent credit in the amount of $60,715 for Lori's Diner International, Inc., for purchase of its kitchen equipment to be used for an Airport employee cafeteria.

11. Memorandum of Understanding between the City/County Association of Governments of San Mateo County and the Airport Commission to Provide Environmental Review and Community Outreach Services for the Comprehensive Airport Land Use Compatibility Plan - $100,000

No. 11-0031 — Resolution approving a Memorandum of Understanding (MOU) between the City/County Association of Governments (C/CAG) of San Mateo County and the Airport in the amount of $100,000 to provide environmental review and community outreach services for a Comprehensive Airport Land Use Compatibility Plan.

* * *

H. NEW BUSINESS:

Mr. Steve Pitocchi, SEIU Local 1021 wanted to follow-up on an award ceremony that was held last week for the Custodial department. It's an annual event that is held to recognize the Custodian of the Year for each shift, the Food Court Service Worker of the Year, and the Mayweather Award where the recipient is the most outstanding Custodian within the Department. This is always a wonderful event. I've attended the awards ceremonies at each shift since I started representing at SFO three years ago. There were a number of things that were recognized and I wanted to come here and show appreciation to the Director and his staff for continuing it and making this such a wonderful event. All the Custodians are very excited when this comes around and appreciative of the awareness to the pPublic and the rest of the Airport for the work that they do. I also want to acknowledge Mr. Rafael Centeno, the H.R. Director, H.R. Manager, Alex Lawrence, and Mr. Severin Rizzo, Custodial Manager. This is in regard to a program that we negotiated and established that gave an opportunity to train Custodians to become Window Cleaners. We identified that we are short on Window Cleaners and we came up with a program, trained Window Cleaners, and we were successful in promoting five Custodians to Window Cleaners. Therefore, we got our staffing up which led to greater moral for the Window Cleaners. and an opportunity for the Custodians. It would not have happened without the help of those I mentioned.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO
# AIRPORT COMMISSION

# MINUTES

**February 15, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT
MAR 7 2011
SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of January 18, 2011 | 11-0032 | 4 |
| D. | | SPECIAL ITEMS: | | |
| | 1. | Retirement Resolution - Ronald Estrada | 11-0033 | 4-5 |
| | 2. | Retirement Resolution - Raymond Lew | 11-0034 | 5 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 5 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 3. | Adjustments to 5-Year Capital Plan & 10-Year Capital & Facilities Maintenance Plan for FY2011/12 to FY2020/21 | 11-0035 | 5-6 |
| | 4. | Proposed FY2011/12 & FY2012/13 Operating Budget | 11-0036 | 6-8 |
| | 5. | RFP for Design-Build Services, Contract 9078 - South Minimum Point of Entry Expansion | 11-0037 | 9-10 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 6. | Award Contract 8561 - High Mast Lighting Replacement - Schembri Construction Co. Inc. | 11-0038 | 10 |
| | 7. | Award Contract 8622 - Professional Engineering Services - Geotechnical Consultant - ENGEO-TEC, a JV | 11-0039 | 10 |
| | 8. | Design Approval - Terminal 3, Boarding Area E Artwork - Artist Amy Ellingson | 11-0040 | 10-11 |
| | 9. | Renew MOU with S.F. Aeronautical Society | 11-0041 | 11 |
| | 10. | Consent to Assignment: Lochard Noise Monitoring System Contract to Bruel and Kjaer EMS, Inc. | 11-0042 | 11-12 |
| H. | | NEW BUSINESS: | | 12 |
| I. | | CORRESPONDENCE: | | 12 |

J. CLOSED SESSION:
Potential Litigation 12

K. ADJOURNMENT: 12

AIRPORT COMMISSION MEETING MINUTES
February 15, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 1, 2011 were adopted unanimously.

No. 10-0032

* * *

D. SPECIAL ITEM:

Item Nos. 1 and 2 were moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Ronald Estrada

No. 11-0033 — Resolution thanking Mr. Ronald Estrada of Facilities Division, Electrical Engineering Section for thirty (30) years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John L. Martin, Airport Director said that Ron Estrada has been with the Airport for 30 years as is retiring as an Electrical Engineer Assistant in the Facilities Division. He has primarily performed electrical drafting work on airfield taxiway projects. When you take off at SFO you're going over the airfield lighting system that Ron helped design. He's a very loyal employee, and has always demonstrated a high level integrity; he's greatly respected by his co-workers. We wish Ron well in his retirement and thank him for his years of service.

Commissioner Mazzola congratulated Mr. Estrada.

Mr. Estrada expressed his sincere appreciation and good fortune to have served the City and County of San Francisco and represent the Airport. During his 30 years of service he worked with good people. He will be forever grateful to his co-workers and superiors for their support. Thank you very much.

2. Retirement Resolution for Mr. Raymond Lew

No. 11-0034 — Resolution thanking Mr. Raymond Lew of Facilities Division, Electrical Engineering Section for twenty seven (27) years and six (6) months of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Ray Lew is retiring after 27-½ years as a full Engineer in the Facilities Division. He is a very steady, methodical performer doing mechanical engineering work in the Central Plant, terminals, garage, and most recently on the Super Bay. He is also a very dedicated employee and we wish Ray health and happiness in his retirement as well.

Commissioner Mazzola congratulated Mr. Lew as well.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Approve Adjustments to the Airport's Five-Year Capital Plan and Ten-Year Capital & Facilities Maintenance Plan for FY 2011/12 to FY 2020/21

No. 11-0035 — Resolution approving Adjustments to 5-Year Capital Plan and 10-Year Capital & Facilities Maintenance Plan for FY2011/12 to FY2020/21; and, Annual appropriations for Capital Plan of $37.3 million for FY2011/12 and $86.2 million for FY2012/13.

Mr. Leo Fermin, Deputy Director Business and Finance said that the Airport's Five Year Capital Plan is a rolling five year plan which we adjust annually. Last year's updated plan totaled $811.1 million. This year the updated plan totals $620.5 million. As a point of interest, we've estimated that the projects in the Five Year

Capital Plan over the five year horizon will generate a total of about 4,500 jobs and over the ten year horizon of the combined Capital and Facilities Maintenance Plan, a total of 7,000 jobs will be created. The most significant new projects being added to the Plan include, at this time, just the design and engineering work for a new secure connector between Terminal 1 and Terminal 2 ($1.2 million) as well the design and engineering work for reconfiguring the security checkpoints at Boarding Area C in Terminal 1 and Boarding Area F in Terminal 3, ($1.7 and $3 million, respectively.) The Terminal 1 Complex Master Architect monies for the development of 15% of design for the Terminal 1 renovation and 45% of the design work for the new Air Traffic Control Tower is $10.7 million. We are also adding a Consolidated Data Center which will be one of the City's new Data Centers at $6 million, and is a subject of Agenda Item No. 5. We are also seeking approval for a Capital Funding appropriation from the Board of Supervisors of $37.3 million for FY2011/12 and $86.2 million for FY2012/13. As required by the Administrative Code, we have also added five more years and included Facilities Maintenance requirements to develop a Ten Year Capital and Facilities Maintenance Plan which totals $973.5 million in Capital projects and $94 million in Facilities maintenance costs. Every fiscal year the Facilities maintenance costs are provided for in the Airport's annual operating budget.

Commissioner Johns asked if the $3 million in Boarding Area F was architect fees. She thought the design for the Air Traffic Control Tower was complete. She thought it was a little high.

Mr. Fermin responded that the design has not been completed.

Mr. Martin suggested that Commissioner Johns might be confusing this with the planning work. We're working on a plan for several years and the plan is distinct from the architectural.

Commissioner Johns asked if the $200 million for the Runway Safety Area Improvement Program is the program that lengthens the runways.

Mr. Fermin replied that it is ... we're adding to the end of the runways.

Commissioner Johns asked if it is supposed to be completed by 2015.

Mr. Fermin replied that it is.

Commissioner Johns asked if we know how we are proceeding.

Mr. Martin responded that we've pretty much decided on a plan with the FAA and we're continuing those discussions in another 3-4 months. We will update the Commission on the specifics of the plan and how it will impact operations.

Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Proposed Fiscal Year 2011/12 and Fiscal Year 2012/13 Operating Budget

Mr. Fermin said that as we did last year, we're submitting a two year budget for approval. The second year's budget is more for planning purposes and we'll have the opportunity next year to seek any necessary adjustments to that year. For FY2011/12 our total budget request of $779.2 million is an increase of $40.3 million or 5.5% from the current year's approved budget of $738.9 million. Of this $40.3 million increase, $17.4 million, or 43% of the increase, is due to Terminal 2. Another 42% of the increase is due to the debt service on the new money fixed rate bonds we sold in October 2009 to finance projects on the five year Capital Plan. At that time we sold bonds totaling $485 million. Debt service will increase by $17 million in next year' s budget. At the high level, salaries and fringes are increasing 7.2% from $157 to $168.6 million. This reflects new positions for Terminal 2 as well as new Custodians to clean domestic terminal holdrooms and bag claim areas which were formerly maintained by the airlines. However, total non-personnel services are being reduced by $1.4 million or $1.6 million from $90.3 million to $88.9 million. Some expense categories, such as equipment maintenance are increasing, but the various increases are more than offset by reductions in professional and specialized services. Materials and supplies are increasing by $1 million, or 6.8%, due to Terminal 2 as well as the procurement of new parts for fire safety systems. Equipment is increasing by $800,000 or 48% due to the replacement of vehicles, information technology equipment and equipment such as boom lifts, rider sweepers, and pumps. We are also budgeting an increase in Light, Heat, and Power by 9.5%, or $3.5 million, from $37 to $40.6 million. This reflects a full year of operating Terminal 2 plus an anticipated rate increase of 7.5%.

Police Department charges our increasing by $2.8 million from $40.9 to $43.7 million because of Terminal 2 (9 police offices and 12 police aides. The Police have a 4.82% COLA in July and another 2% in January. Fire Department charges our increasing by $1.3 million, 6.8%, due to a 4% salary and fringe benefits increases.

For the first time in a few years we are budgeting $3 million for small capital expenditures and increasing our Facilities Maintenance Budget by $1 million, from $6 million to $7 million. Finally, we pay the City's general fund 15% of concession revenues as an Annual Service Payment. I am please to report that for next year we are budgeting the highest amount ever since 1981, a total of $28.9 million. With your approval, we will submit this budget to the Mayor's Office next week and our budget hearings before the Board of Supervisors are scheduled for May.

Commissioner Johns asked about our 8% increase per enplaned passenger.

Mr. Fermin replied that we are budgeting a much lower increase. Our consultants forecast a $1.9 increase for next fiscal year, so it's a very conservative forecast.

Commissioner Johns noted that the operating budget to airline rates and charges is an estimated cost per enplaned passenger of $15.57, or an 8% increase.

Mr. Fermin said that is the cost per enplaned passenger.

Commissioner Johns asked if we have gone up that much in previous years. Mr. Fermin responded that it was slightly less in prior years. He noted that it's at 8.5% because we are forecasting an enplanement increase of 1.9% while our expenses are increasing by 5.5% ... that's why it increases by 8.5%. In prior years the increase was much lower ... around the 5% range.

Mr. Martin noted that the biggest reason is due to the debt service increase for Terminal 2 coming into place. In a broader perspective, our rates are down from the year 2001 ... We've actually reduced rates over a ten year period. They are climbing back up with an increase in the debt service for Terminal 2 ... $17 million a year in debt service, for a $1 increase on a per passenger basis. We expect we'll be in a middle upper range. Los Angeles and other big gateway airports are becoming more expensive than SFO in a cost per enplaned passenger.

Commissioner Johns understood that flying is getting more expensive and these fees become more expensive. It concerns me. I also wonder about the 25 new positions, given the economic times. I understand we need some of them for Terminal 2, but just raising that issue of $6.5 million.

Mr. Martin said that we have a plan to limit our cost per enplanement to $18.90 in today's dollars, and that's an agreement that the airlines find acceptable and reasonable and will keep costs competitive. As a reminder, the low cost fares pay much less than this. A carrier like Jet Blue or Virgin America pays about $8 per enplanement. United or American pay $13 to $15 per enplanement because they have more facilities and club lounges. The internationals pay $20 to $35 because they have more facilities and they pay the cost of the Federal Inspection Service.

Commissioner Johns asked if we have had discussions with the airlines about the whole financing plan.

Mr. Martin responded that we always review our Five Year Plan with the airlines.

Mr. Fermin added that we have extensive discussions with the airlines on the rates and charges.

Commissioner Guggenhime asked why workman's compensation premiums are going down so much.

Mr. Fermin replied that we have had a pretty good safety record at the Airport over time and we actively manage our workers comp claims very aggressively with our brokers.

Commissioner Johns said she was glad to see the budget for professional and specialized services going down by $1.2 million, although it's still a high amount.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Request for Proposal for Design-Build Services, Contract No. 9078 - South Minimum Point of Entry (SMPOE) Expansion

No. 11-0037 Resolution authorizing the Airport to issue a Request for Proposal for Design-Build Services for Contract 9078, South Minimum Point of Entry (SMPOE) Expansion.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said this item requests Commission authorization to issue an RFP for Design-Build services for the SMPOE Expansion project.

This project will provide for the expansion of the Airport's SMPOE in support of the City's Department of Telecommunications and Information Services Data Center Consolidation project. The DTIS project provides for the consolidation of City-wide mission critical IT systems into 2 data centers, to improve upon the efficiency and reliability of the City's IT infrastructure. These data centers will allow for DTIS to more effectively manage the City's IT infrastructure by grouping currently dispersed systems into two better-equipped and maintained facilities. The Airport has been selected as a site to host one of these facilities.

Staff is proposing the design-build project delivery method in order to meet an aggressive schedule of May 2012 to complete the project.

Staff will prepare a 2-step RFP process in order to properly evaluate the proposals and determine a highest ranked proposer. The first step will prequalify firms and produce a shortlist of at least three firms that meet the minimum qualifications established in the RFP. The second step will evaluate the shortlisted firms based on both prior qualifications and experience with similar types of facilities, as well as the proposed costs.

For the evaluation phase, Staff will convene a selection panel to review the proposals, conduct interviews, and score the firms. Staff will then rank the firms based on the sum of the scores received by the selection panel, and the scores the firms receive for the cost component of the evaluation. The highest scoring firm will be the firm determined to provide the overall "best value" for delivery of the project, in accordance with the design-build ordinance. Staff will return to the Commission with a recommendation to award a contract to the highest ranked proposer.

Staff will work with the HRC to develop the LBE subcontractor participation goals for the contract.

Funding will be provided from City funds for the Data Center Consolidation project.

Commissioner Stern asked what types of IT services are going to be consolidated.

Ms. Theresa Lee, Deputy Director, Administration replied, primarily servers. It's a consolidation of all the disparate small and large data centers that 50 City

departments currently have right now.

Commissioner Stern asked what are the over arching applications ... is it email, back office center?

Ms. Lee replied that it's a variety and the City's Department of Technology is in the process of identifying the requirements. DT will be the owner of this facility to ensure that the City's servers are maintained appropriately. We're providing the facility for them. In the future, the Airport may use a portion of it but we have two very robust minimum points of entry so this would be an addition to one of ours.

Commissioner Johns asked if this was consolidating one of the downtown data centers.

Ms. Lee replied that it is. The City is looking at consolidating all the various data centers, and the second data center is still being finalized. Eventually, the plan is to move out of One Market.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 10, was moved by Commissioner Mazzola and seconded by Commissioner Stern. The vote to approve was unanimous.

6. Award of Contract No. 8561 - High Mast Lighting Replacement - Schembri Construction Co, Inc. - $1,572,330

| | |
|---|---|
| No. 11-0038 | Resolution awarding Contract No. 8561, High Mast Lighting Replacement, to the lowest responsive, responsible bidder, Schembri Construction Co, Inc. in the amount of $1,572,330. |

7. Award of Contract No. 8622 - Professional Engineering Services - Geotechnical Consultant - ENGEO-TEC, J.V. - $580,000

| | |
|---|---|
| No. 11-0039 | Resolution awarding Contract No. 8622, Professional Engineering Services-Geotechnical Consultant to the highest ranked proposer, ENGEO-TEC, J.V. in the amount of $580,000. |

8. Design Approval for Artwork in Boarding Area E in Terminal 3, Artist Amy Ellingson

| | |
|---|---|
| No. 11-0040 | Resolution approving the design selected for the terrazzo floor in Boarding Area E in Terminal 3. |

Commissioner Johns asked about the color of the piece ... it's called dark brown.

Is this true to the color?

Ms. Susan Pontious, Arts Commission, responded that we don't have the actual mix ... it's a long process, so this is actually a computer rendition that's been adjusted. This was the level of contrast that the artist liked the best. We've also looked at various other versions. We've reversed it so that what you see in the highlights was the field color. That was acceptable to the artist, although it's not her favorite. We've also looked at other variations where we have a slight bit of color. What you see now is where the design is now and the color balance. It doesn't mean it can't continue to be worked on.

Commissioners Johns asked if it's in the brown tones or the grey black tones.

Ms. Pontious replied it's in the brown tones ... it's a warm brown.

Mr. Martin said the Commission has called this. I hope the adjustments in color will be minor.

Ms. Pontious said yes. Basically, this is where we would like to see it go, if the Commission would be more comfortable with it ... slightly lighter or something like that. We could ask the artist to continue to explore that.

Commissioner Johns asked if the Commission has seen this before.

Ms. Pontiousr replied, no. Typically, it goes to the Airport/Art Steering Committee. The typical process is that as the project is developed, it goes through the Airport/Art Steering Committee and the design team for the facility. It does not come to the Commission until the proposal has been developed.

Mr. Martin added that we want to improve the way what is being considered is reported to the Commission.

Commissioner Johns agreed. It's her understanding that at this stage there isn't much that can be done, other than minor adjustments. This is a huge piece of artwork. It would be great if we could have a little more input up front in the process.

9. Renewal of the MOU with the San Francisco Aeronautical Society

No. 11-0041 — Resolution renewing the Memorandum of Understanding between the San Francisco Aeronautical Society and the Airport for a successive five-year term.

10. Consent to Assignment of Lochard Noise Monitoring System Contract to Bruel and Kjaer EMS, Inc.

No. 11-0042 — Request approval for the resolution granting

consent to the assignment of the Aircraft Noise Management System contract from Lochard Corporation to Bruel and Kjaer EMS, Inc.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

March 1, 2011

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

GOVERNMENT DOCUMENTS DEPT
SAN FRANCISCO PUBLIC LIBRARY

| CALENDAR SECTION | AGENDA ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of February 15, 2011 | 11-0043 | 4 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 4 |
| E. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 1. | Award Contract 9000 - Solid Waste Management Services - So. San Francisco Scavenger Co. | 11-0044 | 4-5 |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 2. | OTA with TSA - Design Intn'l Terminal & Boarding Area F Checked Baggage Inspection System Modernization Program | 11-0045 | 5-6 |
| | 3. | Modification No. 1 to Professional Services Agreement - Contract 8974.2 - Airport-Wide As-Needed Baggage Handling System & Passenger Boarding Bridge Improvements Design & Integration - BNP Assoc. | 11-0046 | 6 |
| | 4. | RFP for Professional Services Contract 9024.9 - C.M. Services for Intn'l Terminal & Boarding Area F Checked Baggage Inspection System Modernization Program & Baggage Handling System Improvements | 11-0047 | 6 |
| | 5. | Reimburse Air Canada for Cost of Relocating Passenger Operations Due to Boarding Area E Refurbishment Project | 11-0048 | 6 |
| | 6. | Lease with Asiana Airlines - Warehouse & Office Space Rental at West Field Cargo Bldg. 648 | 11-0049 | 6-7 |
| G. | | PUBLIC HEARING: | | |
| | 7. | Proposed Amendments to Section 13 of the Airport's Rules and Regulations | 11-0050 | 7-11 |
| | 8. | Proposed Amendments to Sections 3, 5, and 14 of the Airport's Rules and Regulations | 11-0051 | 11-13 |
| H. | | NEW BUSINESS:<br>Distance based short line system | | 13 |

| | | |
|---|---|---|
| I. | CORRESPONDENCE: | 13 |
| J. | CLOSED SESSION:<br>Potential Litigation: Free Speech (Item No. 7) | 7 |
| K. | ADJOURNMENT: | 13 |

AIRPORT COMMISSION MEETING MINUTES
March 1, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 15, 2011 were adopted unanimously.

No. 10-0043

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

1. Award of Contract No. 9000 -Solid Waste Management Services - South San Francisco Scavenger Company - $6,242,733

No. 11-0044 — Resolution awarding Contract 9000, Solid Waste Management Services, to South San Francisco Scavenger Company in the amount of $6,242,733 for a five year period beginning on May 1, 2011.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said this item awards the contract for Airport Solid Waste Management Services effective May 1, 2011 upon expiration of the current contract on April 30, 2011. The scope of work for these services has been developed to align with the Airport's objectives of ensuring that Airport operations remain unimpacted by the collection

of waste, and that the Airport is able to achieve increased recycling over the term of the contract, with a goal of achieving 80% recycled content, excluding construction and demolition debris, by the fifth year of the new contract.

In preparation for this solicitation, staff performed significant outreach to the industry to develop a competitive bidding environment and ensure that all of the proposed service enhancements would not limit participation by the field of potential providers. During the bid period, at the pre-bid meeting which was well attended, there were five potential service providers and there were two firms during the pre-bid period that submitted questions for clarification. So it appeared there would be good participation in the bid process. However, the Airport received a single bid in response to the bid call from the current provider, So. San Francisco Scavenger Co. (SSFSC), in the amount of $6,242,733. Staff reviewed this bid and determined that it is responsive to the requirements of the contract. Staff has also analyzed this bid and determined that it is cost competitive, both in terms of the existing contract with SSFSC, as well as in terms of comparison to the solid waste management services provided at other airports. The cost at Sacramento and Oakland are in the range of $150 to $180 per ton. San Jose's costs are on a per-bin basis, but when apply a range of estimated tonnage, the costs appear to be higher than what SFO will be paying under the new contract.

Staff also reached out to the non-bidding service providers to determine why they didn't bid and two primary reasons were given ... the longer haul distances and SSFSC'c capabilities for in-house sorting of materials.

Commissioner Johns said that she thought the operation would be set up for food/beverage and retail outlets to do their own sorting so that the bid could be more competitive.

Mr. Satero replied that there is that component. Sort separation at the Airport is extensive ... compostable materials, recycled content is all part of the Airport's program. When the providers pick up that separated material it goes right into a composting facility or into a recycle. The issue is the remaining separation of non- separated content. That goes to their facility or to a second tier sub, an off-site facility that they don't necessarily have and the separation is done there.

Mr. John Martin, Airport Director added that in the International Terminal facility particularly non-U.S. passengers don't understand the system and things go into the wrong bin. Those items have to be hand sorted to make sure it's done right.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

2. Other Transaction Agreement with the Transportation Security Administration for the Design of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program - $3,279,870

No. 11-0045 Resolution authorizing the Airport to enter into an

Other Transaction Agreement with the Transportation Security Administration for reimbursement of the Design of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program in the amount of $3,279,870.

3. Modification No. 1 to Professional Services Agreement - Contract No. 8974.2 - Airport-Wide As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration - BNP Associates, Inc. - $1,901,750

No. 11-0046 Resolution approving Modification No. 1 to Professional Services Agreement, Contract 8974.2, Airport-Wide As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration to BNP Associates, Inc., in an amount not to exceed $1,901,750

4. Request for Proposal for Professional Services, Contract 9024.9 - Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program and International Terminal Baggage Handling System Improvements

No. 11-0047 Resolution authorizing the Airport to issue a Request for Proposal for Professional Services, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection Systems Modernization Program and the International Terminal Baggage Handling System Improvements.

5. Approve Reimbursement to Air Canada for the Cost of Relocating Air Canada's Passenger Operations Due to the Boarding Area E Refurbishment Project

No. 11-0048 Resolution approving reimbursement to Air Canada in an amount not to exceed $390,000 for costs related to relocating Air Canada to the International Terminal and subsequent return to Terminal 3 due to the Boarding Area E Refurbishment Project.

6. Approve Lease with Asiana Airlines, Inc. for Rental of Warehouse and Office Space within West Field Cargo Building 648

No. 11-0049 Resolution approving a lease with Asiana Airlines, Inc. fo cargo warehouse and office space at Building 648, West Field Cargo Building 1, on Plot 10; and,

directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:10 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:26 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

G. PUBLIC HEARING:

The Public hearing on Item No. 7 was opened at 9:28 A.M. and closed at 9:48 AM, their being no further public comment. Item No. 7 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Hearing to Receive Comments on Proposed Amendments to Section 13 of the Airport's Rules and Regulations "Free Speech and Expressive Activities" and Adoption of the Proposed Amendments to Section 13

No. 11-00 — Public Hearing and adoption of the proposed amendments to the Airport's Rules and Regulations, Section 13, "Free Speech and Expressive Activities", prohibiting the solicitation for immediate receipt of funds as well as a summary of findings, plus minor clarifications to the existing rule.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that over the past 25 plus years, on a continuing monthly basis, permits are issued for free speech activities including the solicitation of funds. On a far less frequent and ad hoc basis, various labor unions seek and are issued permits to conduct lawful union activities that vary from -public leafleting or picketing, rallies, or union organizing activities. Historically these types of labor free speech activities are

conducted to influence the public. In some cases union permits are requested and granted to conduct labor organizing or other internal union business that take place in public areas of the Airport with no public visibility or impact.

All of these activities are regulated under Rule 13 of the Airport Rules and Regulations and fairly applied to insure a balance between the rights of individuals to conduct free speech activities and the operational requirement that these activities not disrupt the safety and security of the Airport. These free speech activities have to be conducted in a manner that allows continuity of Airport business and without interference to the safe and efficient movement of passengers within the terminals. Under current rules, the Airport has enjoyed a favorable experience and relationship with all of the labor unions that have requested a permit to conduct lawful free speech activities. This has not been the case with the organizations and individuals that solicit funds from the designated free speech booths.

Over the past years the Airport has received in excess of 125 formal complaints from passengers and many other complaints from members of the airline staffs related to free speech activities and specifically - issues arising from the solicitation of funds. We have documented passenger complaints that individuals representing the permitted organizations have done the following:

- Intimated passengers - misrepresented themselves as security personnel or information agents
- Delayed passenger movements through the terminals; been rude; asked to review passports and travel documents in a guise to assume authority; defrauded; conned; and cheated passengers - all under the pretext of soliciting funds for their various causes.
- Harassed passengers and followed them through the terminal - coerced persons into giving more money than they intended.

The Airport is designed for the safe and efficient flow of air passengers, either from the curb to the departure gate, or as passengers walk to connecting flights between terminals. Airport passengers are often unfamiliar with their immediate surroundings and under time pressure. Some passengers speak little or no English. All of these factors can make the Airport's customers susceptible to undue pressure, misrepresentation, duress, or even fraud from persons engaged in solicitation for immediate receipt of funds.

The Airport's Rules and Regulations were last modified by this Commission on November 2009 - Section 13, which governs free speech activities, was left unchanged because we were waiting a ruling from the California Supreme Court in an airport free speech case titled "International Society for Krishna Consciousness vs. the City of Los Angeles." On March 25, 2010 the California Supreme Court issued its decision, holding that a Los Angeles ordinance that banned solicitation for immediate receipt of funds at the airport was a valid regulation under the California constitution.

In light of the legal guidance provided by the Supreme Court and in consideration of the many passenger complaints, the Airport wishes to update and amend its

free speech regulation. The resolution before you approves Amendments, Section 13 that will do the following:

- Effective April 22, 2011, as authorized by the California Supreme Court, prohibits solicitation for immediate receipt of funds.
- Make findings to clarify and explain this Commission's purpose and intent in adopting Section 13.
- Recognize and update the permit procedure to create a more accurate and user-friendly document.

I want to clarify that upon request organizations will continue to be granted their free speech rights. Requested permits to conduct free speech activities will continue to be granted, however, contributions would have to be donated to the cause in some manner other than immediate receipt of funds upon request at the Airport. We strongly believe this is a reasonable rule and after public comment portion of this hearing, I recommend Commission adoption of amendments to Section 13 of the Airport's Rules and Regulations as detailed in the resolution and draft of the proposed modified rule to be effective April 22, 2011.

Mr. Aaron Strauss, Airport worker, said that he can see the people in the Free Speech booths. They call customers ... come here, come here ... and wave them over, usually in a loud voice. Passengers are usually on their way to Concourse B, to Southwest Airlines, to the restroom, or even to the Continental club room and these people distract them. At times they provide Airport information. I've seen them use an old map. They aren't providing the correct information. They don't always have their I.D. badge showing, which is an Airport requirement. Finally, we have a lot of international passengers coming through Terminals 1 and 3, although the Terminal 3 desk isn't staff as often. They take advantage of these people. Passengers don't understand that they are asking for money. This is the major problem. Passengers are being taken advantage of.

Ms. Rilla Ginsberg, Airport tenant and traveler, said that one of the things that is really annoying is that they are offensive, demanding, and they come under the guise of asking if they can assist the passenger. It's a deception. The same thing has happened in Terminal 3 for I don't know how many years. I understand freedom of speech, but it's really interesting to me that the same people are always there, demanding, and I don't think that's what we want the feeling of SFO to be. We don't want it to be obtrusive, invasive, and deceptive. So, I think we would do well to have their comments, but not to make demands of passengers.

Ms. Shelley Kessler, head of the San Mateo County labor Council representing 110 unions in San Mateo County. We have a lot of activities that take place at the Airport and we always get our permits. We go through Tryg McCoy and now Molly to work with helping to get the free speech rights to which we're entitled at the Airport so we do it in a way that is appropriate. We've had a history of working collegially with the Airport. I was really grateful when Tryg called, under the direction of John Martin, to find out what the labor community's viewpoints are about these issues. We had an opportunity to review the ordinance, to go over the issues that we thought may need to be addressed so that there's better clarity. The changes we requested were made. We will continue this collegial

relationship but, I assure you that we will continue to exercise our free speech rights, but we will do so in a matter that's been appropriately dictated by the changes in this ordinance and we're grateful that we had the opportunity to work with Tryg and Molly to make sure that our rights were protected. So, I thank all of you for encouraging us to do that, for John Martin for allowing us to do that, and

we'll look forward to future activities at the Airport. Thank you so much.

Ms. Susan Wetherhead said I've been a traveler's information volunteer for the last six years or so, and I've seen a lot of people complain about the free speech folks. Sometimes they think it's us...that they are part of our organization, which I really resent. Sometimes they ask us how much our information costs. It defeats the purpose of welcoming people to San Francisco and into the Airport. Last week one of the members of the press came up looking for the Free Speech Booth because they couldn't find it ... there was no one staffed there. Later on I wanted to talk to him, but as I'm not an official representative of the Airport, I reluctantly held my breath and said, you know they're usually there. One of the things I wanted to tell him was that I really felt sorry for the passengers who are trapped by these people. I've had a personal experience where my boyfriend, who can't find his way from the information desk to the bathroom at the Airport, got caught by them and was guilted into giving a lot more money than he should have at the time to an organization he didn't believe in. Now, I fully believe in free speech, and, if it had been an organization like homelessness, he probably would have given even more, but in fact he gave money to something he didn't believe in. We get a lot more complaints than these 110 or so complaints that we have heard about and I'm glad that this is being brought up and taken cared of.

Mr. Mark Gruberg, United Taxicab Workers, said, I have one concern or at least one request for clarification in the free speech rules. Our organization puts out a quarterly newsletter which we mail to our members and distribute to cab drivers at taxi garages and at the Airport. We take out a permit for that purpose and we have no problem doing that but we also ask drivers to contribute a $1 when we give them a newsletter and most drivers, they've seen us there for years and automatically take out a $1 and give it to us and sometimes if they don't want to give it, we'll give them the newsletter anyway. We want them to read it but I'm concerned that these rules which seemed overwhelmingly to be aimed at soliciting the public are kind of a broad brush that would also apply to our request for a voluntary donation of $1 for our newsletter. That $1 is important. It helps to defray the cost of the newsletter and also insures that the people who's hands were putting it into really want to read it and won't just throw it away. I'd like some clarification to know if these rules are going to apply to us and our limited distribution of a newsletter ... purely to cab drivers, purely in the taxi lots.

Commissioner Mazzola didn't see a problem with that.

Mr. Martin said it's not a public area so it's no problem.

Mr. Philip Chen, Information Booth worker, is fortunate to work at the finest airport in the world. I've traveled to Madrid, Beijing, Shanghai, Hong Kong. We are the first people the public meets. It's the first time in the area for some passengers

and they are being asked for money. Passengers are being misled. I work at the Information desk and we are far enough in front of the food court where we can't been seen, but they an seen. It's a shame that we have such a fine Airport to have passengers think that these people are representing San Francisco. We're doing our best to put our best foot forward. Isn't that what you want? Thank you.

Ms. Debbie King, Continental Airlines ... I've been there for 26 years and our club room, where I work the lead, is directly across from the Free Speech Booth in Terminal 1. I have to tell you it's the most irritating thing for customers and for employees. I spent $300 to have that sign put up on our door because I have passengers come back in to complain about being yelled at. From behind our door we can hear them yelling, "Sir, sir, come over here." We have passengers come in and tell us that they're representing themselves as working for the airline. They actually say they work for the airline. They have a badge on, they're behind the booth. It does look like they work for the airline or the Airport. They tell the people that they work for the Airport ... that's the worst thing because they're misrepresenting themselves. Foreigners who come through are called over in their language ... they know how to say hello in multiple languages ... and they put a book up, flip it open, in whatever language it is and have them read what they're doing. You can sit out there and see people just pulling money out of their pocket. I've had people come in saying, "Oh I was going to give them $2 but they told me the minimum is $20." I've had them come in and say, I was going to come over here but they yelled over to me and told me that they could let me into the Club, they have the button. They don't have the button. You know I've gone over there and I've told them to stop yelling at our passengers. Through the door we can hear them screaming, they give me a headache. They give our passengers headaches. Passengers can't believe that we allow this in California, but I tell them that this is free speech in California. I was born in San Francisco and it's amazing that we allow this.

Commissioner Guggenhime assumed we have looked into Continental's concern.

Mr. Martin replied that we are aware of it. It's been a concern for years. The Free Speech people would like to stay behind that counter because of the amount of passenger traffic, and in particular, international traffic.

The Public Hearing on Item No. 8 was opened at 9:49 A.M. and closed at 9:55 AM, their being no further public comment. Item No. 8 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

8. Hearing to Receive Comments on Proposed Amendments to Section 3 "General", Section 5 "Aircraft Operation", and Section 14 "Fines" of the Airport's Rules and Regulations and Adoption of the Proposed Amendments to Sections 3, 5 and 14

No. 11-00 — Public Hearing and adoption of the proposed amendments to Section 3 "General" - Include taxi staging lots and ground transportation center islands to be listed as "No Smoking Areas"; Section 5

"Aircraft Operation" - New regulations governing the use of towbarless towing vehicles; Section 14 "Fines" - Increase parking fines by $3.00 to offset the corresponding increase the Airport must pay to the State of California for each ticket, and new fines for unauthorized parking in a handicapped/disabled parking space.

Mr. McCoy said that Item No. 8 seeks to amend portions of Section 3 which covers General Rules; Section 5, covering Aircraft Operations; and Section14 which lists the fines the Airport imposes for a variety of parking, and ground transportation operational rule violations.

The specific rules we wish to amend are:
Rule 3 - proposed to add electronic cigarettes to our existing No Smoking rules and clarifies the places where smoking is prohibited in terminal ground transportation zones, the Rental Car Center, Long Term Parking Garage, Ground Transportation Staging lots and the Taxi Staging lots- except in designated areas within these locations.

The No Smoking rule now includes electronic cigarettes because their health effects have not yet been determined and because the use of electronic cigarettes within the terminals and other designated No Smoking areas would cause confusion by those unfamiliar with electronic cigarettes.

Rule 5 is revised to include operating rules and safety striping requirements for the use of towbarless towing tractors, which are low profile vehicles that are difficult to see at night unless property marked and illuminated per these FAA recommended rules.

Rule 14 is requested to be revised to include a $3.00 increase on all of the existing parking fines. The State of California Budget Act of 2010 signed in October placed ad additional $3.00 parking fee on top of the old $4.50 fee on all parking tickets.

We have also recommended new parking fines of $338.00 for parking in a handicapped zone. This mirrors the fee within the CCSF and a new fine of $103.00 for unauthorized parking in a spaced marked as reserved for electric plug-in vehicle charging stations.

Additional new fines of $100.00 for tampering with Ground Transportation Airport decals and transponders; $50.00 for a taxicab driver not possessing a manual credit card device or forms; $50.00 for refusing to accept a credit card or failure to comply with the Airport's taxicab smart card rules are also included.

I recommend that after the Public comments, that the Commission approve the Resolution to make these changes.

Mr. Mark Gruberg, United Taxicab Workers, said we have no objection to these rules. They're reasonable. I do receive complaints from drivers about smoking in

I recommend that after the Public comments, that the Commission approve the Resolution to make these changes.

Mr. Mark Gruberg, United Taxicab Workers, said we have no objection to these rules. They're reasonable. I do receive complaints from drivers about smoking in the non-smoking areas ... this should really be enforced. It's a health question. He asked if there is a rule that pertains to carrying manual credit card processing equipment and forms. We all have electronic credit card processing and the company I'm with, Green Cab, has the manual knuckle busters but they sometimes tend to get lost, and drivers lose track of them. It's very rare that the electronic processing doesn't work. Probably most drivers including myself, very frankly were unaware that we are actually required to carry manual processing equipment. Drivers will frequently carry some of the manual slips and they'll just scratch the card on the slip with a pen to raise the number on the card. It might be good to inform drivers to put notices in prominent places that you have to have manual credit card processing equipment. Thank you.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Mark Gruberg said that he has received word from Airport staff that they are now looking into an electronic means of having a distance based short line system for the taxi lot. This was a contentious issue a few months ago. We're very pleased that the Airport is moving in this direction. I hope this proves to be fruitful and we really look forward to moving from the current time based system, which everyone admits has its flaws, to a distance based system and hope that it can be accomplished in a reasonable amount of time. Thank you.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:56 A.M.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

March 15, 2011

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
President
**LINDA S. CRAYTON**
Vice President
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
Airport Director

GOVERNMENT
DOCUMENTS DEPT

APR - 7 2011

SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of March 1, 2011 | 11-0052 | 4 |
| D. | | SPECIAL ITEMS: | | |
| | 1. | 2010 William R. O'Brien Employee of the Year Award - William P. Wilkinson | 11-0053 | 4-5 |
| | 2. | Russell J. Mayweathers Award for Employee Excellence - Raul Morales | 11-0054 | 5 |
| | 3. | 2010 Team Recognition Service Award - Custodial Intern Project Team | 11-0055 | 6-7 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 7 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 4. | Award Contract for Operation of Free Wi-Fi System - Advanced Wireless Group, LLC | 11-0056 | 7 |
| | 5. | Modification No. 1 - Financial Advisory Joint Venture Contract - Public Financial Management, Inc. and Backstrom McCarley Berry & Co. LLC | 11-0057 | 7-8 |
| | 6. | Modification No. 1 of Emirates 2011 Lease and Use Agreement L10-0084 | 11-0058 | 9 |
| | 7. | Issue Rent Credit to Emirates for Installation of Elevator, Staircase and Ancillary Infrastructure Work to Provide Vertical Access to Emirates' Lounge | 11-0059 | 9 |
| | 8. | Domestic Retail Lease Agreement Amendments Related to Terminal 3, B/A E Temporary Closure | | 9-10 |
| | 9. | Domestic Food & Beverage Lease Agreement Amendment No. 1 Related to Terminal 3 B/A E Temporary Closure | | 10 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |

| | | | | |
|---|---|---|---|---|
| | 10. | Award Contract 9036 - TSA Baggage Screening Safety & Optimization Project - D.W. Nicholson | 11-0060 | 10 |
| | 11. | Modification No. 2 to Contract 8408R - Public Information Displays - Liberty Electric | 11-0061 | 10 |
| | 12. | Exercise Second of Two One-Year Options to Renew contract 8136D - Brock Solutions - High Technology Baggage Handling Systems | 11-0062 | 10-11 |
| | 13. | Modification No. 3 to Contract 8764 - Airport-wide Construction Tasks - Proven Management | 11-0063 | 11 |
| | 14. | Modification No. 6 - Contract 8688 - Catholic Healthcare West, dba St. Mary's Medical Center | 11-0064 | 11 |
| | 15. | RFP - Contract 9088 - Administration and Clinical Management of SFO Medical Clinic | 11-0065 | 11 |
| | 16. | Modification No. 1 to Contract 8924A - Vanasse Hangen Brustlin, Inc. - Update to SFO Environmental Sustainability Report | 11-0066 | 11 |
| | 17. | Bid Call - Contract 8598 - B/A C and E Apron Reconstruction | 11-0067 | 12 |
| | 18. | Bid Call - Contract 8613 - Taxiways F1 & S Reconstruction | 11-0068 | 12 |
| | 19. | Bid Call - Contract 8582 - Rental Car Center Exit Stair | 11-0069 | 12 |
| | 20. | Accept and Expend TSA Funding for K-9 Explosives Detection Team | 11-0070 | 12 |
| H. | | NEW BUSINESS: | | 12 |
| I. | | CORRESPONDENCE: | | 12 |
| J. | | CLOSED SESSION:<br>Potential Litigation | | 13 |
| K. | | ADJOURNMENT: | | 13 |

AIRPORT COMMISSION MEETING MINUTES
March 15, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 1, 2011 were adopted unanimously.

No. 11-0052

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. 2010 William R. O'Brien Employee of the Year Award

No. 11-0053 — Resolution commending William P. Wilkinson, winner of the 2010 William R. O'Brien Employee of the Year award, for his outstanding level of dedicated and professional service to the Airport.

Mr. John Martin, Airport Director, said that Bill Wilkinson was been employed at San Francisco International Airport since January 5, 2004 as Manager of the Emergency Operations Center. Because of Bill, SFO became the first large airport in the U.S. to meet all of the preparedness requirements. In fact, SFO recently received the National Oceanic Atmospheric Administration's (NOAA) "Storm Ready" recognition award.

Bill ensures that the Airport's emergency response program is not only regulation compliant, but he also ensures that our emergency plan and its framework is well

understood by Airport staff, airlines, law enforcement, and necessary local and federal agencies. Bill and his staff train all new Airport Commission employees on their City Disaster Worker responsibilities. In 2010 over 250 employees underwent emergency response training. On an annual basis, Bill and his staff conduct the Airport's large scale annual emergency exercise. This exercise exceeds the FAA requirements for a large scale exercise that technically only needs to be executed once every three years. As part of last year's exercise, Bill designed an additional exercise to test intelligence and information gathering, analysis, and communication across multiple jurisdictional agencies and Airport stakeholders. The outcome of this additional exercise will help the Airport become well prepared for man-made disasters.

I congratulate Bill for his outstanding work and in recognition of his contributions, award him the 2010 William R. O'Brien Award for Employee Excellence.

Mr. Wilkinson thanked the Director, the Commission, Tryg McCoy, and his staff for this award.

Item No. 2 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Russell J. Mayweathers Award for Employee Excellence to Raul Morales

No. 11-0054 — Resolution commending Raul Morales, winner of the Russell J. Mayweathers Award for Employee Excellence, on his outstanding level of dedicated and professional service to the Airport.

Mr. Martin said that Mr. Morales has worked as a custodian at SFO for 11 years. Since that time he has provided exemplary service to the Airport, its passengers and employees. Raul has been selected by Airport supervisors as the Custodial Section employee who best demonstrates the qualities of dedication, service and team work exemplified by the Mayweathers Award recipient. Raul has regularly assisted his supervisors in the operation of the Airport's custodial section; he has been extremely helpful in emergency situations; he has been dedicated to maintaining cleanliness and safety at SFO, as well as passenger assistance. Raul has often gone above and beyond his assigned duties.

I commend and truly appreciate Raul for his outstanding performance and for being this year's recipient of the Russell J. Mayweathers Award for Employee Excellence. Congratulations.

Mr. Morales thanked the Director, the Commission and Sev Rizzo for this award.

Mr. Steve Pitocchi, SEIU, thanked the Director and the Commission for continuing with this award and acknowledging employees in this way. Mr. Morales is truly deserving of the award. In the four years he has know Mr. Morales, he has never seen him without a smile on his face.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

3. 2010 Team Recognition Service Award to Custodial Intern Project Team

No. 11-0055 Resolution commending the "Custodial Intern Project Team", winner of the 2010 Team Recognition Award on their outstanding level of dedicated and professional service to the Airport.

Mr. Martin said that the 2010 Team Recognition Award for outstanding performance goes to the Custodial Intern Project Team ("Team") consisted of Airport Commission employees from Employment and Community Partnerships (ECP), Custodial Services and Human Resources. The members of the Custodial Intern Project Team are Rafael Centeno, Flynn Bradley, Michelle DiPilla, Severin Rizzo, Floyd Reed, Carolina Robert, Olga Elizalde, Denise Pieri and Steven Yuan.

In 2003, the Airport's Employment and Community Partnership office implemented an innovative intern program called "Career Connect," that targets and assists at-risk youth who are challenged in their everyday lives to survive and better themselves. The program outreaches to San Francisco community based organizations who work with youth ages 18-25. At-risk youths include, but are not limited to, those who are/were in foster care, homeless, teen parents, of low socio-economic status, or with drug addicted parents. These youths are placed as interns in a variety of Airport offices and with some Airport tenants.

With the opening of Terminal 2 this April, staff took the opportunity to increase the Airport's outreach to at-risk youths in order to take advantage of potential entry level job openings. Using the Career Connect framework, ECP staff, along with Human Resources and Custodial Services staff, developed a new program targeting at-risk youths for SFO custodian employment opportunities. This intern program was implemented in FY 2009 and provides on the job training in custodial work,sufficient for the intern to qualify to take the City's Airport Only Custodial examination for permanent employment. The Team was committed to the goal of both diversifying the pool of qualified candidates and creating opportunities for the City's at-risk youth. The program required a focused and collaborative approach in working with key stakeholders including labor, City College Custodian Certification program staff, and the City's Department of Human Resources. The Team established a model which proved to community based organizations and their clients that the City's employment system is accessible if they work within established procedures. By listening to the mutual and independent interests of both management and labor, the Team was able to build trust among each group and achieve a "win-win" situation for both parties.

The Airport now has eight outstanding young individuals employed full-time in our custodial section through Career Connect and five new interns now in training. I congratulate the Custodial Intern Project Team for their outstanding work and contribution to the mission and strategic goals of San Francisco Airport and express my sincere appreciation and deep gratitude for a job well done.

Commissioner Johns congratulated the Team for the work they do.

Mr. Rafael Centeno, Director, Airport Human Resources, said that based on the success of Career Connect, the City's Department of Human Resources is interested in modeling our program.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Award Contract for Operation of Free Public Wi-Fi System - Advanced Wireless Group, LLC

No. 11-0056 Resolution awarding the contract for Operation and Maintenance of the Public Wi-Fi System to Advanced Wireless Group, LLC.

Mr. Leo Fermin, Deputy Director Business and Finance said last August we transitioned from pay wi fi to free wi fi for the public. We had complaints early on about problems with logging on, however, complaints about wi fi are now down to zero. Since last August free wi fi is being provided through an interim contract with T-Mobile. Since then, we conducted a competitive selection process for a longer term vendor and last November you authorized us to negotiate a contract with the highest ranked proposer, Advanced Wireless Group. We now recommend award of a 2 year contract with 3 one-year options at the discretion of the Commission. Under this contract, instead of the Airport paying the wi fi provider, they will pay the Airport $225,000 in the first year, increasing by $25,000 each subsequent year, for a total of $1,375,000 over the next 5 years. In order to pay the Airport these guaranteed fees, as well as cover the costs of upgrading, operating and maintaining the system, there will be advertising. Advertising on public wi fi at airports, whether it is free or on a pay basis, is standard industry practice. We looked at a sample of 16 different airports and all have advertising on their public wi fi systems, whether provided free to the public, or on a pay basis. Upon Commission approval, the contract will be forwarded to the Board of Supervisors.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Modification No.1 to the Airport's Financial Advisory Joint Venture Contract with

Public Financial Management, Inc. and Backstrom McCarley Berry & Company, LLC to Fund the Second Contract Year by $2,050,000

No. 11-0057 Resolution approving Modification No. 1 to the Airport's Financial Advisory Services Joint Venture Contract 8993 with Public Financial Management, Inc. and Backstrom McCarley Berry & Company, LLC to fund the second contract year in the amount of $2,050,000 for continued assistance with the Airport's Financing Program.

Mr. Fermin said, last year you awarded the Financial Advisor contract for a term of 3 years with two one (1) year options. When you awarded this contract, we initially requested funding only for year 1 and we said that we would return annually for each year's funding. For the first year you approved a maximum funding of $1,900,000. Of this maximum we expended $1,382,782 which was 27% or $517,218 under the approved amount. Of the $1.3 million expended, $875,000 was incurred as costs of issuance for 3 separate bond refundings were paid out of the refunding bond proceeds.

For the second year, we request approval for a maximum total of $2,050,000. As was the case for the first year of the contract, I do not expect that we will expend this entire budgeted amount but I recommend we complete the contract modification and its encumbrance process for the entire 2nd year budget so that we are prepared for refunding opportunities. This total comprises 3 types of costs:

- A flat retainer fee of $450,000 which is the same amount as in Year 1.

- Second, we are providing for the same amount of Transaction Fees for bond refundings as in Year 1 - $1,250,000. Even though for the first year of the contract we only incurred about 70% of the bond transaction fees you approved, we are again asking for approval of the same amount in order to be able to move quickly on refundings. In Year 1 we did 3 separate refunding transactions. For Year 2 we are requesting the same funding level in case we have opportunities to do more than 3 refundings. Currently, we have about $509 million in bonds that are now callable; in May 2011 another $337 million will become callable. Please note however, that even if you approve the bond transaction fees for this contract modification and its encumbrance of funds, we still need your approval for each bond refunding transaction itself.

- Finally, the third component is for ad hoc fees, which we request to increase by $150,000 over what we requested last year for work to improve our capital planning process.

In summary, of the $2,050,000 in funding, what will be expended for sure will be the annual retainer fee of $450,000 plus some fees for capital planning work. Whether we need to expend the remainder depends on bond refunding opportunities which meet our minimum savings criteria and any currently unforeseen needs that arise.

Item Nos. 6 and 7 were called together and moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Modification No. 1 of Emirates 2011 Lease and Use Agreement, L10-0084

No. 11-0058 — Resolution approving Modification No. 1 of Emirates 2011 Lease and Use Agreement No. L10-0084 which 1) adds approximately 9,502 sq. ft. of Category II exclusive use space in the International Terminal, and 2) directs the Commission Secretary to request Board of Supervisors' approval of the lease modification.

Mr. Fermin said that Emirates is moving forward with building a premium class lounge in the International Terminal, Boarding Area A. The lounge will be located in a currently unused space in the sterile area on the second floor arrivals A concourse. To access this space, the passenger will enter a foyer lobby on the departure 3rd floor area of Boarding Area A and take an elevator downstairs.

Item 6 approves an amendment to Emirates' lease for the club space. Item 7 approves a rental credit to reimburse Emirates for installing an elevator and stairs to access the club space. Emirates is building out the club at their expense. However, there is no vertical access to the club space on the 2nd floor from the 3rd floor above. Since as landlord, it is our obligation to enable tenant access to the space they are leasing, we are requesting approval for a rental credit not to exceed $640,000. The new lounge will generate over $1.4 million in revenues to us each year. We will recoup the amount of the rental credit in the first 6 months.

7. Authorize Issuance of Rental Credit to Emirates for Installation of an Elevator, Staircase and Ancillary Infrastructure Work to Provide Vertical Access to Emirates Lounge in the International Terminal

No. 11-0059 — Resolution approving a rental credit to Emirates in an amount not-to-exceed $640,000 to install an elevator, staircase, and other infrastructure work to provide vertical access to Emirates' future lounge on Boarding Area "A" of the International Terminal.

Item Nos. 8 and 9 were removed from the calendar without discussion.

8. Domestic Retail Lease Agreement Amendments Related to Terminal 3 Boarding Area E Temporary Closure

Resolutions approving Amendment No. 1 to Pacific Gateway Concessions Lease No. 07-0260 (Ghirardelli); Amendment No. 2 to ILJ San Francisco, LLC dba Airport Wireless Lease No. 07-0108 (Airport Wireless); Amendment No. 1 to Marilla

Chocolate Company Lease No. 04-0167 (Marilla); and Amendment No. 1 to XpresSpa San Francisco, LLC Lease No. 06-0242 (XpresSpa), collectively, the "Leases".

9. Domestic Food and Beverage Lease Agreement Amendment No. 1 Related to Terminal 3 Boarding Area "E" Temporary Closure

Resolutions approving Amendment No. 1 to Baysubway Airport Lease No. 03-0185 (Subway); Luna Azul Corporation Lease No. 03-0187 (Jalapeno Grill); Guava and Java (SFO), Inc. Lease No. 03-0191 (Guava and Java); and Burger Joint, Inc. Lease No. 03-0199 (Mission Bar and Grill), collectively, the "Leases".

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 10 through 20, was moved by Commissioner Stern and seconded by Commissioner Johns. The vote to approve was unanimous.

10. Award of Contract No. 9036 - TSA Baggage Screening Safety and Optimization Project - D.W. Nicholson Corporation - $545,446

No. 11-0060 Resolution awarding Contract 9036, TSA Baggage Screening Safety and Optimization Project to D.W. Nicholson Corporation, for design-build services in the initial amount of $545,446.

11. Modification No. 2 to Contract 8408R - Public Information Displays - Liberty Electric of San Mateo, Inc.

No. 11-0061 Resolution modifying Contract No. 8408R, Public Information Displays Upgrade with Liberty Electric of San Mateo, Inc. to extend contract duration for 90 days to perform the additional tasks approved in Modification No. 1 which provided for additional scope to install outbound baggage systems displays and museum kiosk exhibit displays.

12. Authorization to Exercise the Second of Two One-Year Options to Renew Contract 8136D with Brock Solutions for High Technology Baggage Handling Systems - $650,000

No. 11-0062 Resolution authorizing the second of two one-year

options to renew Contract No. 8136D with Brock Solutions for high Technology Babbage Handling systems, from April 13, 2011 to April 12, 2012 at a one year cost not to exceed $650,000, for a new total contract amount not to exceed $1,800,000.

13. Modification No. 3 to Contract 8764 - Airport Wide Construction Tasks - Proven Management, Inc.

No. 11-0063 — Resolution modifying Contract 8764, Airport Wide Construction Tasks, with Proven Management, Inc. to extend contract duration for one year to provide for various tasks within the current authorized contract.

14. Modification No. 6 to Contract 8688 with Catholic Healthcare West dba St. Mary's Medical Center to Exercise the Third Option Year in the Amount of $1,232,657

No. 11-0064 — Resolution approving Modification No. 6 to Contract 8688 with Catholic Healthcare West dba St. Mary's Medical Center to exercise the third option year in the amount of $1,232,657, for a new total contract amount of $6,231,295.

15. Authorization to Issue a Request for Proposals for Contract 9088 - Administration and Clinical Management of the SFO Medical Clinic and Negotiate with Highest Ranked Proposer

No. 11-0065 — Resolution authorizing the Issuance of a Request for Proposals for Contract No. 9088 for the Administration and Clinical Management of the SFO Medical Clinic and to negotiate with the Highest Ranked Proposer.

16. Modification No. 1 to Contract 8924A with Vanasse Hangen Brustlin, Inc., in the Amount of $112,607.17 - Prepare an Update to the SFO Environmental Sustainability Report

No. 11-0066 — Resolution approving Modification No. 1 to Contract 8924A with Vanasse Hangen Brustlin, Inc. in the amount of $112,607.17, for a new total contract amount of $220,077.17, to prepare an Update to the SFO Environmental Sustainability Report, and renaming the contract to Environmental Sustainability Services.

17. Bid Call - Contract No. 8598 - Boarding Areas 'C' & 'E' Apron Reconstruction

No. 11-0067 — Resolution approving the scope, budget, and schedule for Contract No. 8598, Boarding Areas 'C' & 'E' Apron Reconstruction, and authorizing the Director to call for bids when ready.

18. Bid Call - Contract No. 8613 - Taxiways 'C', 'F1', & 'S' Reconstruction

No. 11-0068 — Resolution approving the scope, budget, and schedule for Contract No. 8613, Taxiways 'C', 'F1', & 'S' Reconstruction, and authorizing the Director to call for bids when ready.

19. Bid Call - Contract No. 8582 - Rental Car Center (RCC) Exit Stair

No. 11-0069 — Resolution approving the scope, budget, and schedule for Contract No. 8582, Rental Car Center (RCC) Exit Stair, and authorizing the Director to call for bids when ready.

20. Acceptance and Expenditure of Transportation Security Administration (TSA) Funding of the K-9 Explosives Detection Team Program of $139,322

No. 11-0070 — Resolution approving acceptance and expenditure of Transportation Security Administration funding of the K-9 Explosives Detection Team Program in the amount of $139,322.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO
# AIRPORT COMMISSION

# MINUTES

April 5, 2011

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

GOVERNMENT
DOCUMENTS DEPT
APR 27 2011
SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 5 |
| B. | | ROLL CALL: | | 5 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of March 15, 2011 | 11-0071 | 5 |
| D. | | SPECIAL ITEM: | | |
| | 1. | Commendation - Molly s. Stump | 11-0072 | 5-6 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 6 |
| F. | | POLICY: | | |
| | 2. | Authorization for Airport Director to Settle Litigated Claims of $25,000 or Less Without Prior Commission Approval | 11-0073 | 6 |
| G. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 3. | Modification No. 2 (Award of Trade Bid Package Set No. 1) to Contract 8974A - Terminal 3, Boarding Area E Refurbishment - Hensel Phelps Construction | 11-0074 | 6-7 |
| | 4. | Award Contract 8792C - Program Support Services for Runway Safety Area (RSA) - AECOM | 11-0075 | 7 |
| | 5. | Domestic Retail Lease Amendments Approving Suspension of Certain Fees and Charges Due to Temporary closure of Terminal 3, Boarding Area E | 11-0076<br>11-0077<br>11-0078<br>11-0079 | 7-8 |
| | 6. | Domestic Food & Beverage Lease Amendment No. 1 Approving Suspension of Certain Fees & Charges Due to Temporary Closure of Terminal 3, Boarding Area E | 11-0080<br>11-0081<br>11-0082<br>11-0083 | 8 |
| | 7. | Amendment No. 1 to J. Avery Klein Enterprises dba Klein's Deli Domestic Terminal Food & Beverage Lease No. 03-0192 | 11-0084 | 8-9 |
| | 8. | Authorization to Establish Pool of Pre-Qualified Firms to Provide Investment banking, Derivative Counter-party and Related Services | 11-0085 | 9-10 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |

| | | | |
|---|---|---|---|
| 9. | Execute Letters of Credit 7 Reimbursement Agreements | | 10 |
| | State Street Bank and Trust Company | 11-0086 | |
| | Barclays Bank PLC | 11-0087 | |
| | U.S. Bank National Association | 11-0088 | |
| | Union Bank, N.A. | 11-0089 | |
| | As Letter of Credit Providers | | |
| 10. | Modification No. 6 of 1981 Airline-Airport Lease and Use Agreement L82-0316 with Continental Airlines | 11-0090 | 10 |
| 11. | Modification No. 1 of Continental Airlines, Inc. 2011 Lease & Use agreement L10-0275 and Approving Transfer of Leasehold Rights Due to Merger of Continental Airlines and United Air Lines | 11-0091 | 10 |
| 12. | Authorization to Accept and Expend FAA Grant Funds For Airfield Improvement Projects | 11-0092 | 11 |
| 13. | Award Contract 9007A - FAA Airports Geographic Information System Pilot Project - Woolpert, Inc. | 11-0093 | 11 |
| 14. | Authorize Director to Enter into Agreement with FAA for Contract 8792D, Runway Safety Area Reimbursement Agreement | 11-0094 | 11 |
| 15. | Award Contract 8788 - As-needed Airfield Pavement Reconstruction - Trinet Construction, Inc. | 11-0095 | 11 |
| 16. | Agreement with SFOTEC for Maintenance, Operation & Use of Airport-Owned Equipment in International Terminal, No. 05-0138 | 11-0096 | 11 |
| 17. | Authorization to Commence RFP Process for Luggage Cart Lease and Operating Agreement | 11-0097 | 11-12 |
| 18. | Authorization to Commence RFP Process for Boarding Area F hub Food 7 Beverage Kiosk Lease | 11-0098 | 12 |
| 19. | Authorization to Issue RFQ for Noise Insulation Consultant | 11-0099 | 12 |
| 20. | Authorization to Issue RFP for New Contract for Communications Services (9097) | 11-0100 | 12 |
| 21. | Approve Lease with United Air Lines, Inc. of Building 575 at Plot 6 | 11-0101 | 12 |
| 22. | Award Domestic Terminal Automated Retail Vending Lease - NewZoom, Inc. dba ZoomSystems | 11-0102 | 12-13 |

| | | | | |
|---|---|---|---|---|
| | 23. | Modification no. 7 to Professional Services Contract 8319 - Bruel & Kjaer Ems, Inc. to Provide Additional Maintenance Services | 11-0103 | 13 |
| | 24. | Agreement with San Mateo County for Services Provided by Airport/Community Roundtable | 11-0104 | 13 |
| I. | | PUBLIC HEARING: | | |
| | 25. | Hearing to Receive Comments on Proposed Amendments to Sections 3, 4 and 14 of the Airport's Rules & Regulations and Adoption of Proposed Amendments | 11-0105 | 13-15 |
| J. | | NEW BUSINESS: Local 2 negotiations | | 15 |
| K. | | CORRESPONDENCE: | | 16 |
| L. | | CLOSED SESSION: Potential Litigation | | 16 |
| M. | | ADJOURNMENT: | | 16 |

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 15, 2011 were adopted unanimously.

No. 11-0071

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Commendation for Molly S. Stump

No. 11-0072 Resolution commending and thanking Molly S. Stump for her service to the Airport as General Counsel and offering her best wishes in her new job as City Attorney of Palo Alto.

Mr. John Martin, Airport Director, said that Molly Stump has been employed by the City for 15 years and has spent the last two of those years at the Airport. Molly brought with her a legal proficiency in labor and employment, government and public protection law, and sound management skills that earned the trust and respect of her colleagues and coworkers. Molly's clear thinking and patient counsel was truly valued and most appreciated. We wish Molly well in her new role as City Attorney of Palo Alto.

Ms. Stump thanked the Commission and Director for the opportunity to serve the Airport. She has enjoyed her time at the Airport and was grateful for the opportunity to serve with such an outstanding legal team in such a well-run, well respected department. She will miss the Airport but looks forward to the new challenges that will face her.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. POLICY:
Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Authorization for the Airport Director to Settle Litigated Claims of $25,000 or Less Without Prior Commission Approval

No. 11-0073 — Resolution authorizing settlement of litigated claims of $25,000 or less without prior Commission approval, consistent with San Francisco Administrative Code Section 10.22-2.

Mr. Leo Fermin, Deputy Airport Director Business and Finance said, previously, in 1996 you established a Policy authorizing the Airport Director with the approval of the City Attorney, to settle claims of $10,000 or less without prior Airport Commission approval. Since then the San Francisco Administrative Code was revised to raise this limit authorizing Department heads and the City Attorney settle claims to $25,000.

This new Policy before you sets a new Airport settlement limit of $25,000 to be consistent with the Administrative Code, and also provides for making the Airport's settlement limit to be consistent with any future amendments of the City's Administrative Code.

This Policy also continues the requirement for staff to return to you annually to report on and request your ratification of all settlements made during the year. We do this every October by presenting a resolution before you.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Modification No. 2 (Award of Trade Bid Package Set. No. 1) to Contract 8974A,

Terminal 3, Boarding Area E Refurbishment - Hensel Phelps Construction Company - $16,349,445

No. 11-0074 — Resolution approving Modification No. 2 to Contract 8974A, Terminal 3, Boarding Area E Refurbishment with Hensel Phelps Construction Company awarding Trade Bid Package Set No. 1 in the amount of $16,349,445 for a new total contract value of $19,997,498.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Award of Contract No. 8792C - Program Support Services for Runway Safety Area (RSA) - AECOM - $2,800,000

No. 11-0075 — Resolution awarding Contract No. 8792C, Program Support Services for Runway Safety Area (RSA) to AECOM in the amount of $2,800,000.

Item Nos. 5 and 6 were called together and moved and seconded by Commissioners Guggenhime and Johns respectively. The vote to approve was unanimous.

5. Domestic Retail Lease Amendments Approving the Suspension of Certain Fees and Charges Due to the Temporary Closure of Terminal 3, Boarding Area E

No. 11-0076
No. 11-0077
No. 11-0078
No. 11-0079

Resolution approving Amendment No. 1 to Boarding Area E Candy Kiosk Lease No. 08-0016 with Pacific Gateway Concessions, LLC; Amendment No. 1 to Terminal 3 Specialty Store Lease B No. 04-0167 to Marilla Chocolate Company; Amendment No. 1 to Airport Spa Lease No. 06-0242 with XpresSpa San Francisco, LLC ("XpresSpa"); and Amendment No. 2 to Technology Stores and Accessories Lease No. 07-0108 with ILJ San Francisco, LLC, approving the suspension of certain fees and charges due to the temporary closure of Boarding Area E, and directing the Commission Secretary to seek approval of the Board of Supervisors.

Mr. Fermin said, once American Airlines moves from Boarding Area E to Terminal 2, we will close Boarding Area E for its renovation program. This will require shutting down some of concessions completely, while others may remain open for very limited hours. Agenda Item 5 addresses the retail tenants and Agenda item 6 addresses the food and beverage tenants.

These amendments before you address the suspension of certain rents and

charges during the renovation of Boarding Area E. In Item 5, for the retail tenants, amendment 1 eliminates the Minimum annual Guarantee during this time, and for those shops that may remain open will pay the percentage rent. The Ghirardelli candy kiosk and the Airport Wireless store will shut down. XpresSpa, the California Gift Shop will pay percentage rent if they remain open.

6. Domestic Food and Beverage Lease Amendment No. 1 Approving the Suspension of Certain Fees and Charges Due to the Temporary Closure of Terminal 3, Boarding Area E

| | |
|---|---|
| No. 11-0080<br>No. 11-0081<br>No. 11-0082<br>No. 11-0083 | Resolution approving Amendment No. 1 to BaySubway Airport's Llease No. 03-0186; Luna Azul Corporation's Lease No. 03-0187, Guava Java (SFO), Inc.'s Lease No. 03-0191; and Burger Joint, Inc.'s Lease No. 03-0199, approving the suspension of certain fees and charges due to the temporary closure of Boarding Area E, and directing the Commission Secretary to seek approval of the Board of Supervisors. |

Mr. Fermin said, in Item 6, for the food and beverage tenants, besides the suspension of the Minimum annual guarantee, the food court cleaning fees and the infrastructure fee will be suspended. The infrastructure fee was the cost recovery for building out the food court. Mission Bar and Grill will shut down completely. Guava & Java, Subway and Jalapeno Grill may or may not stay open for limited hours. If they do, they pay percentage rent.

These amendments only address adjusting rents and fees during the renovation. In the near future, we will return to you for approval of a second round of amendments to address the financial hardships imposed on these tenants because of the Boarding Area E renovation project. I'll be happy to answer any questions you have.

Item No. 7 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

7. Amendment No. 1 to J. Avery Klein Enterprises dba Klein's Deli Domestic Terminal Food & Beverage Lease No. 03-0192

| | |
|---|---|
| No. 11-084 | Resolution approving Amendment No. 1 to J. Avery Klein Enterprises' Domestic Food and Beverage Lease No. 03-0192, and directing the Commission Secretary to seek approval of the Board of Supervisors. |

Mr. Fermin said, the renovation of Boarding Area E also requires the closure of Klein's Deli in E. However, this tenant's situation is different from the other concession tenants on E because their second location in B will also be closed

with the move of Continental from B to Terminal 3 as part of the United Airlines/ Continental merger.

The location at B will be replaced by a new location at F. This will require the tenant to completely build out and invest in this second location from scratch. Also, in E, in order to better serve passengers and eliminate overcrowding in the small facility, the deli will be expanded and reconfigured to face the center of the concourse. Essentially, a second whole new build-out will be done.

In order to allow for the amortization of these significant buildout costs resulting from the E renovation project and the Continental move, we recommend you approve Amendment No. 1 to the lease which provides for a ten year extension, the suspension of the MAG and certain fees in E, the termination of the MAG for the B location, and the buyout of the unamortized improvements in B and E. Please note that as a result of a review with the tenant yesterday, a revised buyout amount of $390,773 replaces the amount originally stated in the cover memorandum.

Item No. 8 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

8. Authorization to Establish a Pool of Pre-Qualified Firms to Provide Investment Banking, Derivative Counterparty and Related Services

No. 11-0085 — Resolution establishing a pool of pre-qualified firms to provide investment banking, derivative counterparty and related services.

Mr. Fermin said, our last pool of underwriters was created in 2009 and this item approves the creation of a new two year pool. Since 2009, we used the last pool for 13 separate financings.

For this new pool we have only two definite financings scheduled over the next two years:

1) The remarketing of $25.5 million of Series 2008A-4 revenue notes in May 2012

2) The rollover of $88.2 million of Series 2009D revenue notes in December 2012

Any additional refunding will depend on market conditions and if interest rates are low enough to meet our 3% net present value savings criteria. Also, our current capital plan does not require any new money bond issuances until December 2013 or early 2014, which is beyond this new pool.

We received submissions from 35 investment banking firms. A 5 member evaluation panel rated the firms, and we now request your approval to create a new pool consisting of the top 10 ranked firms out of the 35.

Mr. Jerry Liang, Grisby & Associates said that many municipalities require LBE participation but there was no such requirement on this bid, nor is there an LBE firm included in the list of 10 firms. He has the utmost respect for staff but asked that the Commission reconsider this award and include LBE participation.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 9 through 24, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

9. Execution of Letters of Credit and Reimbursement Agreements with State Street Bank and Trust Company, Barclays Bank PLC, U.S. Bank National Association, and Union Bank, N.A. as Letter of Credit Providers

| | |
|---|---|
| No. 11-0086<br>No. 11-0087<br>No. 11-0088<br>No. 11-0089 | Resolution approving execution of Letters of Credit and Reimbursement Agreements with State Street Bank and Trust Company ($100 million), Barclays Bank PLC ($100 million), U.S. Bank National Association ($40.6 million), and Union Bank, N.A. ($89.9 million) as Letter of Credit providers to secure the Airport's Variable Rate Bonds and Commercial Paper Notes, and certain related actions. |

10. Modification No. 6 of the 1981 Airline-Airport Lease and Use Agreement L82-0316 with Continental Airlines, Inc.

| | |
|---|---|
| No. 11-0090 | Resolution approving Modification No. 6 of the 1981 Airline-Airport Lease and Use Agreement No. L82-0316 with Continental Airlines, Inc. to provide a rent credit retroactively for leasehold space vacated in Terminal 1 due to the merger of United Air Lines, Inc. and Continental Airlines, Inc. |

11. Modification No. 1 of Continental Airlines, Inc. 2011 Lease and Use Agreement L10-0275 and Approving Transfer of Leasehold Rights Due to Merger of Continental Airlines and United Air Lines

| | |
|---|---|
| No. 11-0091 | Resolution approving Modification No. 1 of Continental Airlines, Inc. 2011 Lease and Use Agreement No. L10-0275 to modify the demised premises by elimination of all exclusive use space in Terminal 1 due to the merger of United Air Lines, Inc., and Continental Airlines, Inc. |

12. Acceptance and Expenditure of Federal Aviation Administration (FAA) Grant Funds in the Amount of $7,312,500 for Airfield Improvement Projects

No. 11-0092 — Resolution approving the acceptance and expenditure of Federal Aviation Administration (FAA) Grant Funds in an amount of $7,312,500 for Airfield Improvement Projects, and such additional amounts not to exceed 15% of the original grant offer.

13. Award of Contract No. 9007A - FAA Airports Geographic Information System (AGIS) Pilot Project - Woolpert, Inc. - $1,305,193.35

No. 11-0093 — Resolution awarding Contract No. 9007A, FAA Airports Geographic Information System Pilot Project to the highest ranked proposer, Woolpert, Inc. in the amount of $1,305,193.35.

14. Authorize Director to Enter into an Agreement with the FAA for Contract 8792D, Runway Safety Area (RSA) Reimbursement Agreement - $669,574.62

No. 11-0094 — Resolution authorizing the Director to enter into an Agreement with the FAA for Contract No. 8792D, Runway Safety Area Reimbursable Agreement in the amount of $669,574.62.

15. Award Contract No. 8788 - As-Needed Airfield Pavement Reconstruction - Trinet Construction, Inc. - $1,013,600

No. 11-0095 — Resolution awarding Contract No. 8788, As-Needed Airfield Pavement Reconstruction to the lowest, responsible bidder, Trinet Construction, Inc. in the amount of $1,013,600.

16. Agreement with SFOTEC for Maintenance, Operation and Use of Airport-Owned Equipment in the International Terminal, No. 05-0138

No. 11-0096 — Resolution approving the one (1) year option to extend the Equipment Maintenance and Operating Agreement, (No. 05-0138), with San Francisco Terminal Equipment Company (SFOTEC) LLC for maintenance, operation and use of Airport-owned equipment in the International Terminal

17. Authorization to Commence a Request for Proposal Process for the Luggage Cart Lease and Operating Agreement

No. 11-0097 Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a request for proposals and conduct an informational conference for the Luggage Cart Lease and Operating Agreement.

18. Authorization to Commence a Request for Proposal Process for the Boarding Area "F" Hub Food and Beverage Kiosk Lease

No. 11-0098 Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Boarding Area "F" Hub Food and Beverage Kiosk Lease through a Request for Proposal.

19. Authorization to Issue a Request for Qualifications for Noise Insulation Consultant

No. 11-0099 Resolution authorizing staff to issue a Request for Qualifications for a Noise Insulation Consultant.

20. Authorization to Issue Request for Proposals for a Communications Services Contract (No. 9097) and to Negotiate with the Highest Ranked Proposer

No. 11-0100 Resolution authorizing the issuance of a Request for Proposals for Communications Contract 9097 and to enter into negotiations with the highest ranked proposer for Communications Services to leverage the tactical application of new technologies in developing strategic communications, community relations, and media plans to improve internal and external communications.

21. Approval of Lease with United Air Lines, Inc. of Building 575 at Plot 6

No. 11-0101 Resolution: 1) Approving the lease with United Airlines, Inc. for Emergency Procedures Training and Plant Maintenance Facilities at Airport Building 575 on Plot 6, and 2) Directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

22. Award Domestic Terminal Automated Retail Vending Lease - NewZoom, Inc. dba ZoomSystems - $30,000

No. 11-0102 Resolution awarding the Domestic Terminal Automated Retail Vending Lease to NewZoom, Inc. dba ZoomSystems, with a minimum annual guarantee of $30,000 for the first lease year, and a term of five years with one two-year option exercisable at the Commission's sole discretion.

23. Modification No. 7 to Professional Services Contract No. 8319 with Bruel & Kjaer Ems, Inc. to Provide Additional System Maintenance Services - $16,990

No. 11-0103 Resolution approving Modification No. 7 to Professional Services Contract 8319 with Bruel & Kjaer Ems, Inc. to provide additional system maintenance services in the amount of $16,990 for a new total not-to-exceed contract amount of $4,091,313.

24. Agreement with San Mateo County for Services Provided by the Airport/ Community Roundtable

No. 11-0104 Resolution approving an Agreement with the County of San Mateo for services provided by the Airport/ Community Roundtable in an amount not to exceed $125,000 per fiscal year for Fiscal Years 2010/11, 2011/12, 2012/13, 2013/14.

* * *

I. PUBLIC HEARING:

The Public Hearing was called to order at 9:29 AM and ended at 9:37 AM, there being no further comments from the public.

Item No. 25 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The item was approved unanimously as amended.

25. Hearing to Receive Comments on Proposed Amendments to Sections 3, 4, and 14 of the Airport's Rules and Regulations and Adoption of Proposed Amendments

No. 11-0105 Public Hearing to receive comments on proposed Summary of Amendments to the Airport's Rules and Regulations and adopt the proposed amendments to Section 3 "General" - Prohibiting the movement of Airport-owned public seating and associated new fine; Section 4 "Operation of Motor Vehicles" - Establishing certain garage parking spaces for the exclusive use of electric plug-in vehicles and

associated new fine; new regulation prohibiting smoking in the courtyards and staging areas; new regulation prohibiting tampering with or falsifying of Airport operating decals or AVI transponders; new definitions of certain taxicab operating phrases and updates to current taxicab requirements; replace the title "Taxicab Commission" with "San Francisco Municipal Transportation Agency"; and Section 14 "Fines" - New fines for taxicab driver failure to possess certain supplies as required by the SFMTA; for moving Airport-owned public seating; and, for tampering with or falsifying Airport issued decals or AVI transponders.

Mr. Tryg McCoy, Deputy Director Operations & Security said, Commissioners last month at the March 1 Airport Commission meeting, you approved recommended changes to several sections of the Airport Rules and Regulations. Today at this public hearing I am seeking your approval to make certain additional revisions necessitated due to recent changes in the City's oversight structure of the taxi industry as well as minor changes in the Airport's Passenger Terminal regulations and ground transportation system operations.

The specific rules we wish to amend are shown in italics and underlined in the 5 excerpted pages o f existing Rules and Regulations before you. Let me draw your attention to the specific changes.

The title page is updated to show Edwin Lee as Mayor and the addition of Peter Stern as a member of this Commission.

Section #3 establishes a new rule for unauthorized movement of Airport-owned terminal public seating and establishes a corresponding new violation fine.

Section #4 includes new language to support the prohibition of unauthorized parking of a non-electric vehicle in a designated plug in space, additional wording to reflect recently approved administrative fines for smoking in designated non-smoking areas. Several subsections of rule 4.7D are revised to reflect current taxicab procedures and definitions and procedures. Section 4.7.D.2 now clarifies that taxicab drivers who fail to comply with section 4 may be fined under section 14 or have other restrictions imposed pursuant to the Taxi Curbside Management Program Operations Procedure Manual.

There is a revised page to your package that shows two hand written changes to section 4.7 (D)(2). These slight changes were suggested late yesterday by Mr. Mark Gruberg, spokesman for the United Taxicab Workers who has appeared before the Commission numerous times. His suggestions improve the accuracy of the proposed Rule changes. My hand written notes will be included in the final copy of the Rules and Regulations.

In section #4.7 D reference to the Taxicab Commission is replaced with San Francisco Municipal Transportation Agency, the replacement regulatory agency.

This section also includes updates to reflect SFMTA requirements, changes to reflect current taxi operations, clarifications made to prohibit activities by all commercial operators of ground transportation and deletion of a rule that described an out of date taxi check out procedure. My note reflects that information cards about the City's 311 info center have been replaced with single posting within each taxi and that a driver will only be held responsible for carrying a copy of SFMTA taxicab regulations, after the Regs are printed and made available by the MTA to all taxicab drivers.

Section #14 is revised to include three new taxicab driver $50.00 fines for not possessing a copy of the SFMTA Taxicab regulations, not having a working flashlight or pen or for not having par transit manual trip forms. These specific fines bring SFO into compliance with existing SFMTA rules.

This section also includes the new fine of $50.00 or moving Airport owned public seating. Lastly the fine definition applicable to all ground transportation operators regarding tampering with or falsifying Airport operating decals is added to the existing $500.00 fine for tampering with AVI transponders.

After any public comment portion of this hearing, I recommend that this Commission adopt the amendments to Sections 3, 4 and 14 of the Airport's Rules and Regulations. If approved these rules will take effect on April 22, 2011.

Mr. Charles Rathbone, Luxor Cab, said that he agreed with most of the proposal but asked the Commission to reconsider the requirement to have a manual credit card reader in cabs. The MTA is about to change its requirements for an automatic reader in cabs ... one that would not require cab drivers to touch a credit card.

Mr. Tryg McCoy said that an amendment can be made to require a manual credit card reader and forms as long as it is required by the MTA.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

The following speakers from Local 2 addressed the Commission on the on-going negotiations with the Airport restaurant association. The speakers said that negotiations have been going on for many months and that the association was not negotiating in good faith. They asked for the Commission's support.

Speakers were Lagioin Werlieu Juew, Molly Gomez, Jesse Johnson, Kevin O'connor, Mike Casey.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:52 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**April 25, 2011**
**Special Meeting**

**9:00 A.M.**

**Room 416 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT
MAY 18 2011
SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 3 |
| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of April 5, 2011 | 11-0106 | 3 |
| D. | | ITEMS INITIATED BY COMMISSIONERS:<br>Bike lanes at SFO | | 3 |
| E. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 1. | Award of Contract 8970 - Closed Circuit Television (CCTV) Advanced Surveillance Program Siemens Industry, Inc. | 11-0107 | 3-4 |
| | 2. | Award Contract to Hill & Knowlton - Provide Professional Services Support in International Aviation Marketing in Overseas Locations | 11-0108 | 4 |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 3. | Modification No. 1 to Professional Services Agreement, Contract 8975 - Aviation Planning and Management Services - Landrum & Brown | 11-0109 | 5 |
| | 4. | Sam Trans Route 397 Owl Bus Service Contract Modification No. 3 | 11-0110 | 5 |
| | 5. | Modification No. 2 to Contract 8837 - Energetix Corporation to Exercise the Second Option Year | 11-0111 | 5 |
| G. | | NEW BUSINESS: | | 6 |
| H. | | CORRESPONDENCE: | | 6 |
| I. | | CLOSED SESSION:<br>Potential Litigation | | 6 |
| J. | | ADJOURNMENT: | | 6 |

AIRPORT COMMISSION SPECIAL MEETING MINUTES
April 25, 2011

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:02 AM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime |
| Absent: | Hon. Linda S. Crayton, Vice President<br>Hon. Peter A. Stern |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 5, 2011 were adopted unanimously.

No. 11-0106

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mazzola asked about the bike lanes to SFO.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, responded that we have a shared bike lane on North and South McDonnell Road and that lane is being converted to a dedicated bike lane.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Award Contract 8970 - Closed Circuit Television Advanced Surveillance Program - Siemens Industry, Inc. - $3,650,000

   No. 11-0107 — Resolution awarding Contract 8970, Closed Circuit Television (CCTV) Advanced Surveillance Program to Siemens Industry, Inc. for design-build services

in the initial amount of $3,650,000.

Mr. Ivar Satero, Deputy Director, Bureau of Design & Construction said, Contract 8970 provides for design-build services for the CCTV Advanced Surveillance Program, as part of SFO's Other Transaction Agreement (OTA) with the TSA, previously approved by the Commission. Staff has completed the RFQ/RFP process for design-build services, and with the assistance of the Selection Panel, has determined Siemens Industry, Inc. to be the highest ranked proposer.

The Airport received proposals from five firms. All five firms were determined to be qualified based on the prequalification requirements contained in the RFP. The proposers were Siemens, JCI, SAIC, IDCS and Schneider.

The Selection Panel reviewed the proposals and scored them in accordance with the RFP criteria. The top three scoring firms were then invited to interviews to further assess their qualifications. The three firms were scored based on the Selection Panel's review of the technical proposals and interviews. In accordance with Federal guidelines, Staff developed the final points earned by factoring in the cost proposals with the proposals and interviews scores. Siemens Industry was determined to be the highest ranked firm with a score of 7.44, thus representing the "best value" to the Airport for the design-build services.

The initial award amount of $3,650,000 will fund mobilization, general conditions, hardware and software systems design and integration, and an Airport allowance of $100,000 to inform the design process, or for early construction activities.

Staff will return to the Commission periodically to recommend award of trade bid packages to Siemens, as the design is completed and packages are competitively bid to a minimum of three prequalified bidders. At each stage of award, Staff will update the Commission on the schedule and cost forecast, in comparison to the established budget, with recommended mitigations of any cost and schedule issues, as necessary. The total GMP will be known and presented for Commission approval towards the end of bidding of all trade packages.

There are no Federal DBE or SBE participation goals due to the specialized nature of the work. Funding will be provided from the Airport's OTA with the TSA for these services, in an amount not to exceed $4,995,250.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Award Contract to Hill & Knowlton to Provide Professional Services Support in International Aviation Marketing in Overseas Locations - $200,000

No. 11-0108 — Resolution awarding Professional Services Contract 9606 to Hill & Knowlton in an amount not to exceed $200,000 to provide professional services support in International Aviation Marketing in overseas locations through June 30, 2012.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 3 through 5, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 1 to Professional Services Agreement, Contract No. 8975 - Aviation Planning and Management Services - Landrum & Brown - $500,000

No. 11-0109 — Resolution Modification No. 1 to professional services agreement with Landrum & Brown to increase compensation in an amount not-to-exceed $500,000 for increased scope of work to include NextGen planning support services, update and maintenance of an online airspace compatibility planning tool, additional airfield and airspace simulation support services, and capacity and demand management analysis support services, for a total contract amount not-to-exceed $800,000.

4. Sam Trans Route 397 Owl Bus Service Contract Modification No. 3

No. 11-0110 — Resolution approving the third of four one-year options to renew a contract with SamTrans to help defray the unrecovered costs of operating the Route 397 Owl Bus Service. The annual not-to-exceed cost is $175,000 for FY2011/12 for a new total contract amount of $740,000.

5. Modification No. 2 to Contract No. 8837 with Energetix Corporation to Exercise the Second Option Year - $16,800

No. 11-0111 — Resolution approving Modification No. 2 to Contract 8837 with Energetix Corp. to exercise the second option year in the amount of $16,800 as the Third Party Administrator for Drug and Alcohol Testing Services.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:12 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO
# AIRPORT COMMISSION

# MINUTES

May 17, 2011

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

GOVERNMENT DOCUMENTS DEPT
SAN FRANCISCO PUBLIC LIBRARY
JUN 8 2011

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Special meeting of April 25, 2011 | 11-0112 | 4 |
| D. | | ITEMS INITIATED BY COMMISSIONERS:<br>Curbside Coordination | | |
| E. | | POLICY: | | |
| | 1. | Amendment/Clarification of Transborder Policy | 11-0113 | 4-5 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Commence Competitive Selection Process for Private Sector Registered Traveler Lease | 11-0114 | 5 |
| | 3. | FY 2011/21 Airport Rates and Charges | 11-0115 | 5-6 |
| | 4. | Mod. No. 3 (Award Trade Bid Package Set #2) to Contract 8974A, Terminal 3, B/A E Refurbishment | 11-0116 | 6-7 |
| | 5. | Award Contract 8489 - Emergency Response Marine Rescue Facility - Schembri Construction Co. | 11-0117 | 7 |
| | 6. | Approve Selection Panel's Recommendation, Authorize Negotiations & Prepare PSA - CM Services for Replacement Airport Traffic Control Tower - T-2 Partners | 11-0118 | 7-8 |
| | 7. | Mod. No. 3 to PSC with San Francisco Convention & Visitors Bureau | 11-0119 | 9 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 8. | Airport Parking Professional Services Agreement - Exercise Second Option - New South Parking, CA | 11-0120 | 9 |
| | 9. | Cease Negotiations for RFP Contract 8841 - Ground Transportation & Taxi Management System, Reject All Proposals, & Authorize New RFP | 11-0121 | 9-10 |
| | 10. | Award Contract 8595B - Storm Drainage System - Azul Works, Inc. | 11-0122 | 10 |

| | | | | |
|---|---|---|---|---|
| | 11. | Authorize Negotiations - Contract 8791 - Professional Engineering Services - Pavement Consultant | 11-0123 | 10 |
| | 12. | Authorize Director to Enter into Agreement with ESCO. - Contract 8672A - Runway Safety Area Material Arresting System Design | 11-0124 | 10 |
| | 13. | Mod. No. 6 to Holland & Knight Contract - Congressional Advocacy in Washington, D.C. | 11-0125 | 10 |
| | 14. | Commence Competitive Selection Process - International Terminal Automated Retail Lease | 11-0126 | 10-11 |
| | 15. | Designation of $88,520,000 of PFC Funds as Revenue For Payment of Debt Service in FY 2011/12 | 11-0127 | 11 |
| | 16. | Accept Proposals - Four Retail Concession Leases | 11-0128 | 11 |
| | 17. | Bid Call - Contract 8545 - Central Plant Chiller No. 2 Improvement | 11-0129 | 11 |
| | 18. | Mod. No. 1 - Turbo Data Systems, Inc. - Parking Citation Processing & Adjudication Services | 11-0130 | 11 |
| H. | | NEW BUSINESS: | | 11-12 |
| I. | | CORRESPONDENCE: | | 12 |
| J. | | CLOSED SESSION:<br>Pending Litigation - Shatese M. Stewart v. CCSF | | 12 |
| K. | | ADJOURNMENT: | | 12 |

AIRPORT COMMISSION MEETING MINUTES
May 17, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of April 25, 2011 were adopted unanimously.

No. 11-0112

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Johns commented on a letter she received from Supershuttle dated May 11, 2011 where allegations of corruption were made regarding the curbside coordinator.

Mr. Tryg McCoy, Deputy Director, Operations and Security said that they are looking into the allegations.

* * *

E. POLICY:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Amendment and Clarification of Airport Transborder Policy

| | |
|---|---|
| No. 11-0113 | Resolution amending and clarifying the Airport Transborder Policy to allow airlines that add new routes by Dec. 31, 2011 to pay the transborder fee for a full year from initiation of new service. |

Ms. Cindy Nichol, Acting Deputy Director, Business and Finance, explained that the Commission approved the Transborder Policy in January to enhance SFO's competitiveness by adopting a turn-fee structure that is more competitive with other airports serving Canada and Mexico. The policy is in a trial period through December 31, 2011.

The proposed amendment to the policy clarifies that if an airline adds service any time through December 31, 2011, it will pay the transborder fee for one year beyond the last date new service is added. For example, if Aeromexico started flights on December 30, 2011 to a location in Mexico that doesn't currently have service from SFO, they would pay the transborder fee for a year until December 30, 2012.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Commence Competitive Selection Process for the Private Sector Registered Traveler Lease

No. 11-0114 — Resolution approving the proposed minimum qualifications and lease specifications, and authorizing staff to commence the Request for Proposal process and conduct an informational conference for the Private Sector Registered Traveler Lease.

Ms. Nichol explained that this item begins the RFP process for a Registered Traveler Program. This service, previously offered at SFO by Clear Registered Traveler, allows passengers enrolled in the program to have front of the line privileges at the security checkpoint. Clear operated this service from August 2007 thru June 2009 when the lease terminated early due to the Clear's impending bankruptcy. Various providers have expressed interest in providing an expedited security screening program at SFO, and staff believes such a service is still viable and desirable.

This item proposes issuance of an RFP for a Registered Traveler Program that is expected to bring in at least $600,000 in annual concession revenue. The term is for three years with one 3-year option to renew at the Commission's sole discretion.

Commissioner Johns asked what companies provide this service.

Ms. Nichol responded that Clear has been rejuvenated and is currently operating at airports in Denver and Orlando, and I-Queue is currently in Indianapolis. Other former providers could return, such as Flo Corp., RT GO and Vigilant Solutions.

Item No. 3 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Fiscal Year 2011/12 Airport Rates and Charges

No. 11-0115 — Resolution establishing Airport rates and charges for FY 2011/12.

Ms. Nichol explained that this item approves next year's Rates and Charges. The new landing fee and terminal rental rates reflect ...

- new Lease and Use Agreement effective July 1;
- full year of Terminal 2 operations, expenses and concession revenues;
- closure of Boarding Area E in Terminal 3; and,
- use of two funding streams to manage the increase in airline rates ... $88.5 million in Passenger Facility Charge revenues, which is Item No. 15 on the calendar for approval; $25 million in cumulative aviation surplus from prior years. The rates are also based on forecast growth in passengers of 3.3% (budget to budget).

The proposed rates ...

- The Landing Fee rate for signatory carriers will increase 5.6% to $3.79;
- The average Terminal Rate will increase 8.3% to $122.93;
- Because costs are increasing faster than traffic and non-airline revenue, airline costs per enplaned passenger are projected to increase from $14.42 per enplaned passenger to $15.15 or 5.1%. In constant dollars the CPE will be $14.49.

These rates and airline costs have been discussed with the airlines and the Financial Advisory Committee. As in past years, we continue to review cost-recovery for other rates and make adjustments where appropriate. In FY 11/12, the Airport will achieve greater than 95% cost recovery.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Modification No. 3 (Award of Trade Bid Package Set No. 2 and Direct Negotiated Work) to Contract 8974A, Terminal 3, Boarding Area E Refurbishment - Hensel Phelps Construction Company - $6,411,590

No. 11-0116 — Resolution approving Modification No. 3 to Contract No. 8974A, Terminal 3, Boarding Area E Refurbishment, with Hensel Phelps Construction Co. awarding Trade Bid Package Set No. 2 and direct negotiated work in the amount of $6,411,590 for a new total contract value of $26,387,188.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said that this item requests award of Trade Bid Package Set No. 2 to Hensel Phelps Construction Co. in the amount of $6,411,590, for a new total contract amount of $26,387,188. This modification provides for award of the civil scope and site preparation, as well as the passenger boarding bridges and BHS scopes of work. It also includes direct negotiated work for abatement and hygienist services.

As required by the Administrative Code, these trade bid packages were competitively

bid by the contractor to a minimum of three prequalified bidders, where possible. The one exception is the passenger boarding bridges, as there are only 2 providers in the U.S. Although Hensel Phelps bid the site fencing to 3 bidders, only 2 bidders elected to participate. The direct negotiated work was solicited and negotiated in accordance with the Administrative Code.

Staff reviewed the low bids and determined that the bidders are responsive and that they appropriately reflect the agreed-upon scope of work. This proposed award is within the overall budget for this work, and is approximately $231,000 under the Engineer's Estimate.

With these bids, the Airport continues to forecast a cost at completion of $35,850,000, which achieves on-budget performance. The Airport continues to maintain the cost contingencies appropriate for this stage of the project.

To date, Hensel Phelps is achieving 20% LBE participation against the contract HRC goal of 18%, and will meet the 18% goal with this set of trade bid packages.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was 3-1, with Commissioner Mazzola casting the dissenting vote.

5. Award Contract 8489 - Emergency Response Marine Rescue Facility - Schembri Construction Company, Inc. - $5,265,626

No. 11-0117 — Resolution awarding Contract 8489, Emergency Response Marine Rescue Facility to Schembri Construction Co., Inc. in the amount of $5,265,626.

Mr. Satero said that this item recommends award of Contract 8489 to Schembri Construction, in the amount of $5,265,626.

Currently, to launch marine vessels the Airport must trailer the vessels form the storage facility located on the AOA out by the Superbay hangar to the launch ramp in the North Field. The work provides for the complete construction of all in-water and shore infrastructure, foundation, structural system, prefab metal building, floating duck, storage facilities, and special systems, to fully house the marine rescue requirements of the Airport and SFFD.

Three bids were received on March 17 from Schembri Construction, Arntz Builders, and West Bay Builders; all bids were determined to be responsive. Schembri's 10% bid preference resulted in Schembri being determined to be the apparent low bidder. The engineer's estimate is $3.9M. Additional funding will be provided from delayed or deferred projects of the Airport's 5-year CIP. The HRC LBE subcontracting goal is 7%. Schembri has committed to achieving 16% participation.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

6. Approve Selection Panel's Recommendation and Authorization to Enter into Negotiations and Prepare Professional Services Agreement for Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility - T-2 Partners, a J.V. of Parsons, The Allen Group, LLC, and EPC Consultants, Inc.

No. 11-0118 — Resolution approving Selection Panel's recommendation and authorizing Staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 9015.9, Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility, with T2 Partners, a J.V. of Parsons, The Allen Group, LLC, and EPC Consultants, Inc.

Mr. Satero said that this item recommends approving T2 Partners as the highest ranked proposer to provide CM services in support of the Replacement Air Traffic Control Tower and Integrated Facility project. T2 Partners, a joint venture of Parsons, The Allen Group, and EPC Consultants, is currently providing CM services to the Airport for the close-out phase of the recently completed Terminal 2 project.

The Airport requires construction management services for the implementation of the Replacement Tower and Integrated Facility project. This project provides for the design and construction of three primary elements, the tower, the related FAA facilities and offices, and the planned Airport terminal spaces which will reside within the footprint of the FAA facilities. This work is proceeding as one piece, due to the integration and interrelatedness of existing and future facilities. The Commission previously awarded a contract to HNTB for design services, and the design work is under way. Staff requires additional support in overseeing the design and providing construction management services once construction begins in early 2012.

The Airport convened a selection panel to conduct the RFP solicitation process, facilitated by the Airport's Contract Administration Unit. Two proposals were received on April 14th in response to the RFP, from T2 Partners, and Devcon Construction. On April 27th, the selection panel conducted interviews with key personnel of both firms, reviewed client references, scored the firms and developed a ranking. The selection panel felt that both firms were well qualified to perform the required services. However, T2 Partners scored higher in the Qualifications and Experience category, particularly in the area of providing CM services on large, complicated projects, as well as experience with CM services on design-build delivery. They also scored higher in the proposed approach to project execution.

Based on the results of the ranking, staff requests authorization to enter into negotiations with T2 Partners. Upon successful completion of negotiations, staff will return to the Commission with a recommendation to award.

While there are no LBE goals for this primarily Federally funded contract, staff encouraged best efforts. T2 Partners committed to a 12% SDB/DBE subcontractor participation, which is in line with the Airport's overall 3-year DBE goal.

Item No. 7 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Modification No. 3 to Professional Services Contract with the San Francisco Convention & Visitors Bureau to Provide Continued International Aviation Marketing Services in Overseas Locations - $1,000,000

No. 11-0119 — Resolution approving Modification No. 3 to Professional Services Contract with the San Francisco Convention & Visitors Bureau to extend the term of agreement for one year through June 30, 2012, and increase the amount by $1,000,000 for a new total not-to-exceed amount of $3,659,000 for continued International Aviation Marketing Services and assigning the contract to the new legal entity, The San Francisco Travel Association.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Action Items. All matters listed under the Consent Calendar are considered to be routine in nature and will be considered and acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be discussed before a vote is taken.

The Consent Calendar, Item Nos. 8 through 18, was moved by Commissioner Guggenhime and second by Commissioner Stern. The vote to approve was unanimous.

8. Airport Parking Professional Services Agreement - Exercise Second and Final One-Year Option to Extend Term - New South Parking - California - $17,773,771

No. 11-0120 — Resolution exercising the second and final one-year option to extend the term of the Professional Services Agreement with New South Parking - California, for the management and operation of the Airport's public and employee parking facilities.

9. Authorization to Cease Negotiations under Request for Proposal Contract 8841R Ground Transportation and Taxi Management System and Reject All Proposals, and Authorization to Issue a New Request for Proposal for a Combined Ground Transportation and Taxi Management System

No. 11-0121 — Resolution terminating the Request for Proposal process for Contract 8841R and rejecting all proposals, and approval to conduct a new competitive selection process for a combined Ground Transportation & Taxi Management System with additional scope to include functionality for a taxi global positioning system, license plate recognition and automated taxi and van dispatching capability that will provide improved tracking and enforcement

of commercial vehicle activity, upgrade the existing taxi revenue system and enhance billing and oversight; and authorize staff to negotiate with the highest ranked proposer.

10. Award Contract 8595B - Storm Drainage System - Azul Works, Inc. - $895,000

No. 11-0122 Resolution awarding Contract No. 8595B, Storm Drainage System Improvements, Phase II to Azul Works, Inc. in the amount of $895,000.

11. Authorization to Enter into Negotiations for Contract No. 8791 - Professional Engineering Services - Pavement Consultant

No. 11-0123 Resolution authorizing Staff to enter into negotiations Contract No. 8791, Professional Engineering Services - Pavement Consultant, with the highest ranked proposer.

12. Authorize Director to Enter Into an Agreement with Engineered Arresting Systems Corporation (ESCO) for Contract 8672A, Runway Safety Area Engineered Material Arresting System Design

No. 11-0124 Resolution authorizing the Director to enter into an agreement with Engineered Arresting Systems Corporation (ESCO) for the design of the engineered material arresting system (EMAS) for Runway Safety Area (RSA) Program, in an amount of $420,000.

13. Modification No. 6 to the Holland & Knight Contract for On-going Congressional Advocacy in Washington, DC - $75,000

No. 11-0125 Resolution approving Modification No. 6 to Holland & Knight for on-going Congressional Advocacy Service in Washington, DC. Modification 6 will extend the term for one year (July 1, 2011 to June 30, 2012) and increase the total contract amount by $75,000.

14. Commence Competitive Selection Process for the International Terminal Automated Retail Lease

No. 11-0126 Resolution approving the proposed minimum qualifications and lease specifications, and authorizing staff to commence the Request for Proposal process and conduct an informational

conference for the International Terminal Automated Retail Lease.

15. Designation of $88,520,000 of Passenger Facility Charge Funds as Revenues for Payment of Debt Service in FY 2011/12 and Authorization to Apply Amounts up to $88,520,000 of PFC Revenues to Airline Rates and Charges As Needed

No. 11-0127 — Resolution designating $88,520,000 of Passenger Facility Charge (PFC) funds as revenues for payment of debt service in FY2011/12 and authorization to apply amounts up to $88,520,000 to airline rates and charges as needed.

16. Authorization to Accept Proposals for Four Retail Concession Leases

No. 11-0128 — Resolution approving the revised minimum qualifications and lease specifications, and authorizing staff to accept proposals for four (4) retail concession leases.

17. Bid Call - Contract No. 8545 - Central Plant Chiller No. 2 Improvement

No. 11-0129 — Resolution approving the scope, budget, and schedule for Contract 8545, Central Plant Chiller No. 2 Improvement, and authorizing the Director to call for bids when ready.

18. Modification No. 1 with Turbo Data Systems, Inc. - Parking Citation Processing and Adjudication Services - $150,000

No. 11-0130 — Resolution approving Modification No. 1 with Turbo Data Systems, Inc. for Parking Citation Processing and Adjudication Services, to exercise the option to extend the agreement for an additional three years and authorize an increase in the credit card convenience fee from $3.00 to $3.95 for a total contract amount not-to-exceed $150,000.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Commissioner Guggenhime noted that the security lines in Terminal 1 are no longer short since Continental's move. Mr. Gomez needs to increase staffing.

Mr. Martin agreed that the staffing levels are unacceptable. He has written to the TSA Administrator asking for 150 new employees immediately. He is disappointed that the TSA has waited to act. He has been giving them signals along the way but to no avail.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54954.3 and Sunshine Ordinance Section 67.10(2) on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:27 AM and the closed session began.

Conference with legal counsel regarding pending litigation (Government Code Section 54956.9(a)): Shatese M. Stewart v. City and County of San Francisco, San Francisco International Airport, San Francisco Superior Court, Case No. CGC-09-494967, filed December 3, 2009.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:38 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:39 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**June 7, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

## EDWIN M. LEE, MAYOR

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT

JUL - 7 2011

SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES: Regular meeting of May 17, 2011 | 11-0132 | |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 4 |
| E. | | ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 1. | Award Professional Services Agreement - Provide Airport Planning and Management Services | 11-0133 | 4-6 |
| | 2. | Modification No. 1 - Cathay Pacific 2011 Lease and Use Agreement | 11-0134 | 6 |
| | 3. | Modification No. 1 - UAL Lease L00-0464 at Plot 6 | 11-0135 | 6-7 |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 4. | Award Contract to Staff & Manage Information Booth - Polaris Research & Development, Inc. | 11-0136 | 7 |
| | 5. | Select Construction Management Consultant - Contract 8427C.9 - Industrial Waste Water Treatment Plant - PMA/NBA Joint Venture | 11-0137 | 7 |
| | 6. | Select Construction Management Consultant - Contract 9078.9 - South Minimum Point of Entry Data Center Expansion Project - FE Jordan/Hill Intn'l, J.V. | 11-0138 | 7-8 |
| | 7. | Authorize Negotiations & Prepare Professional Services Agreement - Construction Management Services - Terminal 3 Improvements - URS/ECS Joint Venture | 11-0139 | 8 |
| | 8. | Approve Selection Panel Recommendation, Authorize Negotiations, Prepare Professional Service Agreement - C.M. Services for Intn'l Terminal & B/A F Checked Baggage Inspection System Modernization Program, and Intn'l Terminal Baggage Handling System Improvements - CAGE Inc. | 11-0140 | 8 |
| | 9. | Bid Call - Contract 9102 - Residential Airport Noise Insulation Program | 11-0141 | 8 |

| | | |
|---|---|---|
| G. | NEW BUSINESS: | |
| | Ground Transportation - Shuttles | 8-11 |
| | Meet and Confer | 11 |
| H. | CORRESPONDENCE: | 11 |
| I. | CLOSED SESSION: | 11-12 |
| J. | ADJOURNMENT: | 12 |

AIRPORT COMMISSION MEETING MINUTES
June 7, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime |
| Absent: | Hon. Linda S. Crayton, Vice President<br>Hon. Peter A. Stern |

* * *

D. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 17, 2011 were adopted unanimously.

No. 11-0132

* * *

E. ITEMS INITIATED BY COMMISSIONERS;

There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Award of Professional Services Agreement to Provide Airport Planning and Management Services for an Airport Development Plan - LeighFisher, Inc. - $400,000

   No. 11-0133 — Resolution awarding a professional services agreement in an amount not-to-exceed $400,000 to LeighFisher, Inc. to provide professional airport planning services to support the completion of the Airport Development Plan.

Mr. John Bergener, Airport Planning Manager, said that this item awards a

professional services agreement in an amount not-to-exceed $400,000 to Leigh Fisher, Inc. for a term of two years to provide Airport Planning Services to support completion of the Airport Development Plan (ADP). The ADP will result in the identification of facility requirements needed to accommodate future cargo, passenger, and general aviation demand for a 20-year planning horizon. The previous master plan was completed in November 1989. An Airport Layout Plan was approved in February 2009. Most of the projects identified in the master plan have been built and there is a need for long range planning guidance documents. The purpose of the ADP will be to provide the Airport with an updated facility requirements document and a future on-Airport land use plan in order to guide development through 2030. The majority of the ADP will be prepared in-house. We will use LeighFisher, from the qualified consultant pool, for at least two tasks.

Task One will reconfigure aircraft parking positions in Boarding Areas A and G. These aircraft parking positions were originally designed to accommodate aircraft design group five-aircraft, which is up to Boeing 747-400. In recent years the Airport reconfigured Gates A1, 9 and G101 to accommodate aircraft design group six-aircraft, which is the Airbus A380, and 747-800 aircraft which are newer aircraft. The Airport is also working to make gates G99 aircraft design group 6 capable. Lufthansa and Air France began A380 service at SFO, and should other airlines announce A380 service, or should any of the aircraft design group six gates be taken out of service, there are limited options for accommodating the A380 at other boarding areas. This first task will look at reconfiguring some gates to be multi-use to accommodate larger aircraft as well as a mix of smaller aircraft.

The second task looks at the United Airlines Maintenance Operations Center and the Superbay Hangar. The Airport doesn't currently expect any change on the land use of these areas, however, should the land use change, we want to have alternatives in the ADP. The contract covers other follow on tasks, if needed.

Commissioner Johns thought that we had other contracts with LeighFisher and asked if this is a different contract.

Mr. Bergener replied that Business and Finance has a contract with LeighFisher for forecasting work. This will be a Bureau of Planning and Environmental Affairs contract for planning work. It's a separate area within their company.

Mr. John Martin, Airport Director added that it's a separate selection process.

Commissioner Mazzola asked if the master plan included a hotel.

Mr. Bergener said that all land uses will be looked at. An independent study is being conducted through Business and Finance to look at the financial feasibility of a hotel. Site selection studies have also been conducted on potential on-Airport hotel locations.

Mr. Martin added that a peer view panel will begin this month. It will look in detail at the financial feasibility of moving forward with a hotel.

Commissioner Guggenhime assumed these things should be in the master plan.

Mr. Martin replied that it should continue to be in the Airport Development Plan. We have that flexibility.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Modification No. 1 of Cathay Pacific Airways Ltd. 2011 Lease and Use Agreement

No. 11-0134 — Resolution approving Modification No. 1 of Cathay Pacific Airways, Ltd. 2011 Lease and Use Agreement (No. L10-0081) which: 1) adds approximately 5,664 square feet of Category II exclusive use space in the International Terminal; and 2) directs the Commission Secretary to request Board of Supervisors' approval of the Lease Modification.

Mr. Gary Franzella, Associate Deputy Director, Aviation Management, said that Item 2 seeks approval of the first modification to Cathay Pacific's 2011 Lease Agreement. Cathay is one of the 39 signatory airlines for our new Lease and Use Agreement and this modification represents the addition of a lounge development in the south shoulder building on the 4th floor, post security, adjacent to Boarding Area A where they operate from. This adds 5,664 square feet to their exclusive use space and has additional rent of $917,000.

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 1 to Lease L00-0464 with United Air Lines, Inc. at Plot 6

No. 11-0135 — Resolution approving Modification No. 1 to Lease L00-0464 with United Air Lines, Inc. for approximately 12.514 acres of land on Plot 6, together with existing City owned buildings, and directing the Commission Secretary to request Board of Supervisors' approval.

Mr. Franzella said that this item approves a modification giving United Airlines a 10-year extension on their land lease at Plot 6. It's an action that was approved by the Commission in October 2009 when we carved out space for the SFO Business Center and adjacent parking. It causes a change in the acreage on this land site from 16.04 acres to 12.54 acres. It also finalizes United's hazardous material obligations as approved by the Airport Commission on October 7, 2008.

Commissioner Guggenhime asked if we have any indication of what is going on with the Continental and United merger.

Mr. Martin responded that we see some growth. United has expressed interest

in expanding their number of gates in the next year.

Commissioner Guggenhime asked about maintenance.

Mr. Martin replied that there is no word on their commitment to maintain their maintenance operations.

Commissioner Guggenhime asked if there was potential for loss of jobs.

Mr. Martin responded that it is an outstanding issue on what United is going to do with the Maintenance Center and we're eager to work with them on that.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
Action Items. All matters listed under the Consent Calendar are considered to be routine in nature and will be considered and acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be discussed before a vote is taken.

The Consent Calendar, Item Nos. 4 through 9, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Award a Contract to Staff and Manage the Information Booth Program Polaris Research and Development, Inc. - $5,150,000

No. 11-0136 — Resolution awarding Contract No. 9075 to Polaris Research and Development, Inc. to staff and manage the Airport Information Booth Program in an amount not-to-exceed $5,150,000 for a period of three years effective July 1, 2011 with up to two (2) additional one-year options to renew exercisable at the sole discretion of the Commission.

5. Selection of Construction Management Consultant for Contract No. 8427C.9 - Construction Management Services for Industrial Waste Water Treatment Plant Project - PMA/NBA Joint Venture

No. 11-0137 — Resolution authorizing staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 8472C.9 - Construction Management Services for Industrial Waste Water Treatment Plant Project with PMA/NBA J.V.

6. Selection of Construction Management Consultant for Contract No. 9078.9 - Construction Management Services for South Minimum Point of Entry (SMPOE) Data Center Expansion Project - FE Jordan/Hill International Joint Venture

No. 11-0138 Resolution authorizing staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 9078.9 - Construction Management Services for South Minimum Point of Entry (SMPOE) Data Center Expansion Project with FE Jordan/Hill International Joint Venture.

7. Authorization to Enter Into Negotiations and Prepare Professional Services Agreement for Construction Management Services for Terminal 3 Improvement Projects - URS/ECS, A Joint Venture

No. 11-0139 Resolution authorizing staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects, with URS/ECS, Joint Venture.

8. Approve Selection Panel's Recommendation and Authorization to Enter into Negotiations and Prepare Professional Services Agreement for Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements - CAGE Inc.

No. 11-0140 Resolution approving the Selection Panel's recommendation and authorizing staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements, with CAGE Inc.

9. Bid Call - Contract No. 9102 - Residential Airport Noise Insulation Program

No. 11-0141 Resolution approving the scope, budget and schedule for Contract No. 9102, Residential Airport Noise Insulation Program, and authorizing the Director to call for bids when ready.

* * *

G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to

Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Mr. Igor Brownsten, Owner/General Manager of Bay Shuttle. I have been in this business for 15 years, first as a driver and then as an owner. The whole time, just like everybody else in the shuttle business, knew that Super Shuttle has a very special position at SFO. For 20 years they have a separate zone and did not share those other equally licensed operators ... big and small at the curbs that I don't have time to talk about in the given time. The longer I've been in this business, the more instances of preferential treatment I've noticed. It was impossible for my company to compete with Super Shuttle and while they kept growing and prospering, the growth of my business was stagnant, even controlled by SFO staff and I had to downsize. It was and still is an uneven playing field. I started to raise those issues at the shared-ride industry meetings held at SFO. Then, after literally being quieted down repeatedly, I started writing letters. My letters were not complaints by an upset business owner, letters full of analysis, facts and numbers regarding the policies I have observed. I addressed the letters to the SFO Administration as well as to the members of the Airport Commission. In the last three years my company was on the brink of closure at least twice. Last August, my coordination costs were doubled and caused a great deal of financial pain. I wrote to you Commissioners, I cried for help in a necessity of change. And in reply I received absolutely nothing. Recently, I was forwarded a copy of a letter from Super Shuttle's General Manager to SFO Administration dated May 11, 2011. The letter, amazingly enough, was full of complaints. They don't feel special anymore but, they don't cry for help, they don't even ask, they demand. They're upset that the company isn't doing as well as it does in other airports. And it's all because the existence of, "substandard operators." I guess that is my company and others like mine. They would have been so much better off if they were the only one serving SFO. The tone of their letter was insulting to me, and so it should of been to SFO Administration, in my opinion. Nevertheless, it worked for them as expected. What I did not expect was that the Airport Commission on the very next meeting, exactly the next day, addressed Super Shuttle's letter in great detail. So, the only reason I'm here today is to ask why all my complaints, letters, statistical analysis and cries for help have never ever been addressed by the Commission; not even acknowledged, while you give such a quick response to Super Shuttle's accusations. Why are you so concerned about Super Shuttle and not at all about my company? Is it all about the size? Really? Since my letters are never addressed, from now on I'll be coming here in front of all you and make it all a public record. Thank you.

Mr. Ray Sloan ... I wanted to rise today because of the same issue of the Super Shuttle letter that came at the last meeting and the response that the Commissioners had. As you know, I've been appearing before this body for 15 years, before all of you members have been members, before Director Martin was the Director. We've written letters on numerous occasions complaining about the collusion and the politics that goes on with the curb situation. We've made recommendations that the curb situation be changed. I've appeared before you ... I appeared on 4/16/07 asking for a change of the curb coordinator designees but to no avail. And it's interesting that when the Super Shuttle writes about this because if there is a change at the new Terminal 2 and they're not getting what they think is their rightful share of the ridership coming off the planes, immediately there's a hue and cry. There have been problems out there for years and years. We've been at this more than a decade and we've written what we

considered to be fair solutions. We presented programs to Landside, we hired a consultant in 1995 who wrote an extensive report on how to improve the program. Noone is concerned about it, either at the Commission or staff level, in improving the situation which would help the consumer, the environment, and the companies. Lastly, I want to bring up one other thing and that's that we've been trying to expand who we're bringing our problems to and going to the board members, to the Mayor's office, to anybody who would listen. Apparently, staff has been intervening and asking board members not to meet with us. I think this is both unprofessional and unethical, may even be illegal. I would ask that they be directed to cease and desist in this.

Mr. Rodney Azizian ... I came here as of part of drivers in the Airport driving for shuttle companies as an employee or owner operators. For owner operator we got too much problem for the financing because we have to convert to CNG van and that cost us around $52,000. Used to be we buy a van for around $15,000 -$25,000. It's very hard for us to refinance that. Also, last year we getting some rebates from the City and the Airport ... a rebate around $15,000 and not giving us anymore rebate ... I heard about $8,000. That's caused us more hard to get refinance and get the van. And this is not only me ... lots of other drivers in the Airport, they cannot be present here today but they're having too much problem with that. We need help.

Mr. Arik Sharabi ... I started my company in 1979. It's been a long, long time. We keep asking, what is really going on here, Mr. Martin? We never get an answer. It's like a dictatorship at the Airport. Do you have anything against my company, against all the little companies? How come you're giving all this sweetheart deal to Super Shuttle all the time, continuously? You keep changing things to put us out of business and this has to stop. If we come here and we ask to be on the agenda you have to respect it. Not go to the supervisor and to tell him not to meet with us. This is America, you know. This is not Egypt, this is not any other country that have a dictatorship, you know. So we asking you Commissioner, we asking to be on the agenda to open everything, you know. To know why these things are happening in here. Thank you.

Mr. Aaron Chan ... Owner of one of the small shuttle company called Advanced Airport Shuttle. I have only four vans in my company. I'm happy to run the business in San Francisco because the City always protects small business. But in the Airport, they are totally opposite. I don't know ... the San Francisco Airport is under the San Francisco City or the other county. Every time is like our small company's suggestion in the meeting, they don't any respect. Just only a lots of the excuse to reject your suggestion. That is what I want to speak today. That's it, thank you.

Mr. Cosmo Molina ... I represent, I work for a San Francisco City Shuttle. I'm the owner of the company. I owned this company for 5 years. Before I was working for another company ... door-to-door shuttle ... for about 16 years in the Airport but, in this time I am the owner of the company and also I feel affected by all the changes they do at the Airport. When I got the company it started good for first three years but after the changes killing me because they are more expensive and giving lots of opportunity to us to get more passenger at the Airport because they change the roads, they changed the terminals. They do a lot things over there and that's what I hear. Check it out what you can do for the small companies. Thank you.

Mr. Gil Sharabi ... Thanks for hearing this. I've spoken on a number of occasions on a

couple of things. One thing that caught my eye and ear in the meeting here is a lot of people talk about the smaller companies. They're not smaller due to the fact that they're less productive or that they don't give a good service. Their smaller simply by default of the position that they were given at the Airport. The only reason certain vendors like Super Shuttle have a larger fleet or more business from the Airport is a direct result of the special preferential treatment mandated by the Airport Director and staff. When every time we try to address this we never really get a legitimate answer, but most recently, the most common ... it use to always be, "look if you don't like it, you don't have to be here, you're more than welcome to leave." Most recently they say look, it's a highly politically motivated environment, so if anybody is looking to make a correction or address it, and they do hit some type of political wall, I'm sure it's somebody spending political capital, obviously for their own pocket book. But I might suggest that if you hit that political wall, please ask them on our behalf, say to them look, these guys have be taking it on the chin, like a champ for close to two decades. Anybody who makes their money through that type of political clout, I'm sure can make it in a different way. Maybe if you hit that wall, just ask them kindly to lay off us. I'm sure they can make their money a different way, I'm sure that's the way they know how to do business but again, two decades we've been taken it on the chin maybe if you hit that wall, just say that for us on our behalf please. Thank you for your time.

Mr. Steve Pitocchi, SEIU 1021 ... I wanted to report on a successful meet and confer process the Union had with Human Resources, Sr. Personnel Analyst Veronica Davis and Drake Poston of Airfield Safety Operations regarding specialty assignments that serve a very distinct purpose in regard to the safety on the airfield, construction, maintenance and abatement of wildlife which is a safety concern for airplanes. It was a long process and we worked collaboratively with Steve Juliano, our Shop Steward and Vice President of the San Francisco International Airport Chapter of SEIU. I wanted to bring this up and mention that management and Human Resources and the unions spent a lot of time to get these specialty assignments done and I wanted to make sure the parties involved were recognized. I appreciate it. Thank you very much.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The Airport Commission did not go into closed session.

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:29 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**June 30, 2011**
**Special Meeting**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

## EDWIN M. LEE, MAYOR

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT

JUL 21 2011

SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES: Regular meeting of June 7, 2011 | 11-0142 | 4 |
| D. | | SPECIAL ITEM: | | |
| | 1. | Commendation: Airport/Community Roundtable on its 30th Anniversary | 11-0143 | 4 |
| E. | | DIRECTOR'S REPORTS: | | |
| | 2. | SFO's Strategic Plan to Improve Airline On-time Performance | | 5-8 |
| F. | | ITEMS INITIATED BY COMMISSIONERS: | | 8 |
| G. | | ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 3. | Award Professional Services Agreement, Contract 9015.9 - Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility - T2 Partners, a J.V. of Parsons The Allen Group, LLC and EPC Consultants, Inc. | 11-0144 | 9 |
| | 4. | Award Professional Services Agreement, Contract 9048.9 - Construction Management Services for Terminal 3 Improvement Projects, URS/ECS, a J.V | 11-0145 | 9-10 |
| | 5. | Award Professional Services Agreement, Contract 9024.9 - Construction Management Services - Intn'l Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and Intn'l Terminal Baggage Handling System Improvements | 11-0146 | 11 |
| | 6. | Execute Letter of Credit & Reimbursement Agreements or Other Similar Agreements with Pre-Approved Commercial Banks to Support $88.5 Million of Outstanding Variable Rate Bonds | 11-0147 | 11-12 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 7. | Modification No. 1 to Contract 8465B - Time Extension - Superbay Hangar Fire Protection Improvements - Schembri Construction, Inc. | 11-0148 | 12 |

| | | | | |
|---|---|---|---|---|
| | 8. | Modification No. 1 to Contract 8427BR - Time Extension - Mel Leong Treatment Plant Shop Building - Schembri Construction, Inc. | 11-0149 | 12-13 |
| | 9. | Modification No. 2 to Contract 8368 - Solid Waste Management - So. San Francisco Scavenger Co. | 11-0150 | 13 |
| | 10. | Amendment No. 4 to Pacific Gateway Concessions, LLC's Boarding Areas B and C Principal Concession Lease No. 98-0228 | 11-0151 | 13 |
| | 11. | Accept Proposals for Terminal 3, Boarding Area F Hub Food and Beverage Kiosk Lease | 11-0152 | 13 |
| | 12. | Amendment No. 1 to Pacific Gateway Concessions, LLC's Newsstands Lease No. 04-0165 | 11-0153 | 14 |
| | 13. | Amendment No. 3 to North Terminal Bookstore Lease No. 00-0176 with Books, Inc. | 11-0154 | 14 |
| | 14. | Issue Rental Credit Related to Purchase of Two Passenger Boarding Bridges and Related Equipment from Continental Airlines | 11-0155 | 14 |
| I. | | NEW BUSINESS: | | 14 |
| J. | | CORRESPONDENCE: | | 14 |
| K. | | CLOSED SESSION:<br>Pending Litigation: *Airis SFO, LLC,* et al. v. *CCSF*<br>*Coral Construction, Inc.* v. *CCSF* | | 14 |
| L. | | ADJOURNMENT: | | 14 |

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime |
| Absent: | Linda S. Crayton, Vice President<br>Hon. Peter A. Stern |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 7, 2011 were adopted unanimously.

No. 11-0142

* * *

M. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Commendation: Airport/Community Roundtable on its 30th Anniversary

No. 11-0143 Resolution honoring the Airport/Community Roundtable on its 30th Anniversary.

Mr. John Martin, Airport Director said that the Airport/Community Roundtable (San Francisco and San Mateo County) continues to be a model for airports and communities around the world. It works because we have elected officials from communities in San Mateo County, as well as the County itself, and the FAA participating. The high level of trust and transparency has allowed great achievements to be made in reducing aircraft noise. We recognize the Roundtable on its 30th Anniversary.

* * *

E. DIRECTOR'S REPORTS:

2. SFO's Strategic Plan to Improve Airline On-time Performance - oral report

Mr. John Bergener, Planning Manager, said that the presentation this morning discusses SFO's Strategic Plan to reduce delays and improve airline on-time performance. The presentation covers the history and causes of delays at SFO and the strategic initiatives that the Airport is and will be pursuing to reduce delays and improve airline on-time performance.

Slide 2 ... SFO's closely spaced parallel runways cannot currently be used for simultaneous arrivals in bad weather. With the Bay Area's marine climate, periods of bad weather are both frequent and unpredictable. Reduced arrival capacity is common at SFO, and, whenever scheduled arrivals exceed this reduced capacity, arrival delays inevitably result. Prior to 9/11, scheduled arrivals greatly exceeded bad weather capacity in most hours of the day. Since then it has improved significantly both in absolute and relative terms. Now, however, with increasing traffic, delays are once again on the rise.

Slide 3 depicts SFOs on-time arrival performance compared to other major U.S. airports. It also shows how SFO's on-time arrival performance improved when traffic demand dropped following 9/11 but is again starting to degrade as traffic increases.

Slide 4 shows that delay and on-time performance at SFO has fluctuated through time. What are the causes of delay and low on-time performance? We already noted weather variability and reduced arrival capacity in bad weather. Other contributors include airline scheduling practices, especially during morning peak periods, and airline fleet mix choices.

Slide 5 shows average annual weather conditions at SFO. On average SFO has good weather almost 3/4 of the time; however, this is a bit misleading.

Slide 6 examines the weather data on a daily basis, and shows that on average, we experience at least one hour of bad weather and reduced arrival capacity on about ½ of all days. This is typically due to stormy weather in the winter or morning fog in the summers. Even in the best weather year, SFO experienced bad weather on approximately 1/3 of all days.

Slide 7 shows that on bad morning weather days, clearing usually occurs by noon or 1 p.m.

Slide 8 shows how airlines vary the number of scheduled arrivals throughout the day with one peak arrival period occurring between 8 a.m. and noon; a period that can also correspond to periods of bad morning weather. The combination of bad weather and a peak period of demand in the morning results in frequent delays during the morning peak period. Once these delays have occurred, it can take from several hours to the rest of the day for schedules to recover and for operations to get back on track.

Slide 9 ... another contributor to delay is airline fleet mix choices. Commuter aircraft that may carry 100 or fewer passengers each take up the same amount

of limited runway and airspace capacity as narrow body jets that may carry between 100 and 200 passengers and almost as much capacity as widebody jets that may carry between 200 and 600+ passengers. This slide shows how between 2003 and 2010 the number of flights by commuter aircraft (regional jets and turboprops) increased by over 53% primarily due to increased service from Skywest and United Express while the number of flights by wide body aircraft has decreased by almost 21%. Using more flights to carry the same number of passengers on smaller aircraft can contribute to Airport delay.

Commissioner Guggenhime said that we are saying that commuter-type aircraft has increased 53%.

Mr. Bergener replied that the number of flights has increased since 2003.

Commissioner Guggenhime said that the wide body has gone down and the narrow body has gone up a little. Can we go over the chart again. The combination of weather and scheduling patterns ...

Mr. Bergener responded that this shows the bad weather capacity (the instrument flight rule capacity) during that morning period of time is lower than the number of scheduled arrivals during that period of time.

Commissioner Guggenhime asked if the greatest number of arrivals is in the morning or afternoon?

Mr. Bergener replied that there are two different peaks ... one in the morning and one in the afternoon. The morning peak typically corresponds with bad weather.

Slide 10 shows the latest data on the average number of seats per operation by domestic carriers on domestic and domestic/international flights and the variation among airlines. It should be noted that United Airlines is a hub carrier and serves smaller cities with regional jet and turboprop aircraft as part of a system that feeds international flights.

Commissioner Guggenhime asked about Hawaiian Airlines.

Mr. Martin replied that they only fly a 767. They have one flight a day.

Commissioner Guggenhime noted that United has a lot of commuter flights.

Mr. Martin replied that they do and it brings down their average.

Commissioner Johns asked about the United/Continental merger.

Mr. Bergener responded that this slide does not show the merged traffic. We would expect that number for United will come up slightly when they merge.

Slide 11 ... Recognizing that demand and delays have started increasing, SFO has developed a Strategic Plan goal to consistently maintain at least 75% on-time arrival performance. The Strategic Plan initiatives include rapid pursuit of

NextGen and other technology, regional airport system planning, and collaboration with the FAA and the airlines.

Slide 12 ... We have been working with the FAA and the airlines to get NextGen and other technology improvements on-line within the next three years. These improvements include increased use of Simultaneous Offset Instrument Approach (SOIA) procedures using the Airport's existing Instrument Landing System (ILS), use of Closely Spaced Parallel Operations procedures described in FAA Joint Order 7110.308, procedures which were recently approved in Seattle, and creation of Area Navigation (RNAV) procedures to allow approaches to closely spaced parallel runways. All of these near term improvements will allow increased use of both arrival runways during marginal and bad weather conditions resulting in fewer delays in that critical morning peak period.

Slide 13 presents the timeline and technical details of each of these near term efficiency and enhancement concepts.

Slide 14 is a summary of these near term efficiency enhancement concepts. These improvements will allow increased use of dual arrival runways in marginal and bad weather conditions and in combination could result in almost 48% more availability of dual arrival runways in marginal and bad weather during morning peak periods of demand, reducing delays and improving on-time performance.

Mr. Martin said that this is a huge step forward that the FAA has identified and is taking action on. It will really make a difference in reducing delays.

Commissioner Guggenhime asked when.

Mr. Martin responded in the next 12 months.

Mr. Bergener said that we expect the SOIA improvements to happen at the end of this year or early next year; Joint Order 7110.308, closely spaced parallel operations, within a year; and area navigation procedures in the next 2-3 years.

Commissioner Guggenhime said that will decrease the delays by ... ?

Mr. Bergener said that it will. It increases the use of two runways per arrivals, as opposed to one runway per arrival. They did not report the delay reduction but we can expect probably around a 30% delay reduction during that period of time.

Commissioner Johns assumed that the FAA has considered the safety factor. Are we unique in terms of this weather plus the dual landing. Has it been tested?

Mr. Bergener replied that it has been tested in multiple airports. The last airport where this was instituted was in Seattle where they have an 800 ft. separation between some of their runways. That's the last place it was instituted so this is just 50 feet closer at SFO. It's not a large change and they're analyzing the affects of aircraft following aircraft to make sure it's safe.

In addition to working with the FAA and airlines to improve airfield and airspace

efficiency, we are working with regional agencies including the Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), the Bay Conservation and Development Commission (BCDC), other airports, and the cities and counties of the Bay Area on an update to the Regional Airport System Plan. The updated plan contains several recommendations including encouraging redistribution of short haul domestic air passenger demands from SFO to OAK and SJC, and demand management at SFO. The Airport will study the Plan's recommendations for potential implementation as demands and delays increase.

Commissioner Johns asked if the FAA be requiring or be doing some additional education with the Air Tower being built?

Mr. Bergener replied absolutely. There's a whole process they go through once the procedures are approved and they have to go through a flight standards check. And there will be training for the Tower staff.

Slide 16 ... The Airport will also strive to collaborate with individual airlines to discuss how service and fleet mix decisions are being made with the goal of achieving some level of upgauging, or the use of fewer, larger aircraft in the place of more smaller aircraft. Initial analyses indicate that consolidating flights into larger aircraft while maintaining the same level of service could reduce arrival demand during the busy morning peak period by between 6.2% and 8.4%, reducing delays by as much as 18% to 25%.

Mr. Martin noted that carriers would go back to flying the larger aircraft they were flying 5 or 6 years ago to cities like Seattle, Reno and Portland, even Los Angeles. Los Angeles now has 11 R.J. flights a day from San Francisco.

Slide 17 ... Going forward we plan to continue meeting quarterly with airlines and the FAA to work on implementing measures to enhance efficiency and better match demand to capacity, to continue to support regional airport system planning work into the implementation phase, and to work directly with airlines to look for opportunities to adjust fleet mix choices to better make use of limited airfield resources.

Commissioner Mazzola thanked Mr. Bergener for his report ... it was very good. This is something to look forward to.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Award Professional Services Agreement, Contract No. 9015.9 - Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility - T2 Partners, a Joint Venture of Parsons, The Allen Group, LLC and EPC Consultants, Inc. - $4,592,000

No. 11-0144 Resolution awarding Professional Services Agreement, Contract No. 9015.9, Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility, to T2 Partners, a Joint Venture of Parsons, The Allen Group, LLC, and EPC Consultants, Inc., not to exceed $4,592,000.

Mr. Ivar Satero, Deputy Director, Design and Construction said that these services are required for implementation of the Replacement Tower Project. The design is currently in progress under the Master Architect agreement with HNTB that the Commission approved previously. The project will be implemented through the design-build delivery method to meet the scheduled objectives.

Staff has successfully negotiated with T2 Partners the staffing, billing rates, the multipliers, and prepared a budget for the services for the duration of the project. The contract is federally compliant and structured as a cost plus fixed fee basis.

The total budget for the duration of the project is $4,592,000, for services through June 2015, which is our anticipated end date of the project.

Of this proposed award amount $3.3M will be funded from the Other Transaction Agreement (OTA) with the FAA for the Replacement Tower project previously approved by the Commission. The remaining amount will be funded from Airport funds as the facility is an integrated facility with both FAA facilities for the Tower and offices as well as components of Terminal 1 facilities, a secure site, passenger corridor and a pre-security passenger corridor are integrated into this facility.

T2 Partners will also integrate Airport staff into the team including a Resident Engineer and Inspector.

The contract contains no Federal funds so there are no HRC LBE goals, however we encouraged best efforts. T2 Partners committed to achieving a 12% SDB/DBE subcontractor participation, which is in line with the Airport's 3-year DBE goal.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Award Professional Services Agreement, Contract No. 9048.9 - Construction Management Services for Terminal 3 Improvement Projects - URS/ECS, a Joint Venture - $2,221,000

No. 11-0145 Resolution awarding Professional Services Agreement, Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects, to URS/ECS, a Joint Venture, in an amount not to exceed $2,221,000.

Mr. Satero said that this is the Terminal 3 Improvement Project at the Checkpoints and essentially this is to address congestion problems in Terminal 3 pre-security for the checkpoint and the queuing, as well as to improve upon the passenger experience in Terminal 3 pre and post security.

We have successfully negotiated with URS/ECS the billing rates, multipliers, staffing plan and are recommending this budget for the first year of services. The contract is structured as a reimbursables agreement.

The estimated budget for the required services is $3,800,000 for a 28-month contract duration. We are requesting award for the first year of services in the amount of $2,221,000 to provide for preparation of the design bridging documents and construction management services for the first year.

Staff will return to the Commission with a recommendation to award a second year of services after completion of the first year of the project.

Similar to the last project, we will also integrate Airport staff into this CM team with URS/ECS construction inspection.

URS/ECS has committed to meeting the HRC LBE subcontracting goal of 18%. This contract is awarded from the pool list of as-needed CM contracts.

Commissioner Johns asked if we have done any design at all.

Mr. Satero replied that we did not do any out source design. We did a lot of internal studies and this is based on that work that we've done before and working with Operations on improving that and the TSA and also the experience in T2, that checkpoint design. We've taken all that and prepared a conceptual plan. I'm not aware of any significant previous work effort on Terminal 3 though Commissioner.

Commissioner Johns recalled it because we did something with restaging.

Mr. Satero said that we did a bump out at the checkpoint ... it was a curbside expansion due to a congestion issue by the elevators. Facilities handled the project and pushed the building out at the Departures Level about 8 feet.

Commissioner Johns asked if this is going to take a much broader approach.

Mr. Satero replied that it will.

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Award Professional Services Agreement, Contract No. 9024.9 - Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements - $585,805

No. 11-0146 Resolution awarding Professional Services Agreement for Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements, to CAGE Inc., in an amount not to exceed $585,805.

Mr. Satero said the project will provide improvements to the Baggage Handling System in the I.T. and in Terminal 3. Both will receive modernization of the TSA responsible areas which is the Checked Baggage Inspection System. The OTA will address their areas of responsibility and provide a complete modernization of those systems. We will also tag to this program upgrades to the I.T. conveyance systems which is controls and bag belts. We've tied this into a program because the work needs to be accomplished all of a piece because it is so integrated and potentially so disruptive to terminal operations. So, it takes on all of this work and it gets provided for through the OTA with the TSA. So Staff and the OTA agreed that in order to really expedite this work, we need to enter into a design OTA and the Commission previously approved that design OTA. These services are to provide CM services and design support during the design phase of the project. We will return to the Commission with a construction OTA once we have a better understanding of cost and schedule impacts and at the same time we will return to the Commission to award future tasks, construction management tasks, for the oversight of construction which are listed as Tasks 2 and 3 essentially.

The total estimated budget of this contract over the duration of 30-months is $5 million. Again, this contains Federal funding and there are no HRC LBE goals. We encouraged best efforts and they committed to 5.8% SDE/DBE participation. It's lower than we would hope for but because of the specialized nature of the services the same opportunities didn't exist for this contract.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Execution of Letter of Credit and Reimbursement Agreements or Other Similar Agreements with Pre-Approved Commercial Banks to Support $88.5 Million of Outstanding Variable Rate Bonds

No. 11-0147 Resolution approving execution of letter of credit and reimbursement agreements or other similar agreements, with pre-approved letter of credit providers in connection with remarketing or refunding of the Airport's $88.5 million of Issue 36C/D and 37D variable rate bonds, and other certain related actions.

Mr. Leo Fermin, Deputy Director, Business and Finance said that the Airport's Financial Advisory Committee has reviewed and approved our plan to replace 4 standby bond purchase agreements with Dexia Bank which secures some of our variable rate bonds. These are shown on the table on page 2 of your cover memorandum. Standby Bond Purchase Agreements provide a guarantee to the bond holders that if the Airport does not have cash to redeem the bonds at maturity, then the bank will step in and buy the bonds back from the bond holders. In an alternative method, under a letter of credit, the Airport will draw on a line of credit to buy the bonds back if the Airport had insufficient cash. Previously, this past April 5th, you gave us approval to execute new letters of credit to replace an expiring letter of credit on our Series 36B Bonds and to replace one of the four Dexia repurchase agreements on Series 37C. This resolution before you today provides for the replacement of the remaining 3 Dexia bond purchase agreements with either a new LOC or another bond purchase agreement. Also, the resolution authorizes us to issue commercial paper if necessary to take out the Dexia backed bonds if it takes too long to execute a new LOC or a new bond purchase agreement. Once we get the new LOCs for bond purchase agreement in place, we would then reissue the bonds and take out the commercial paper.

Commissioner Guggenhime noted that we obviously need to this because the interest rates on the variable bonds backed by Dexia increased 1.5%.

Mr. Fermin said that this is a pre-emptive move to replace it with higher credit rating banks.

Mr. Martin asked Mr. Fermin to mention our Standard and Poors bond rating.

Mr. Fermin said that he is pleased to report that our Standard and Poors credit ratings are being upgraded from an A to an A+. That's part of this refunding.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Action Items. All matters listed under the Consent Calendar are considered to be routine in nature and will be considered and acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be discussed before a vote is taken.

The Consent Calendar, Item Nos. 7 through 14, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

7. Modification No. 1 to Contract No. 8465B - Time Extension - Superbay Hangar Fire Protection Improvements - Schembri Construction, Inc.

No. 11-0148 Resolution approving a 120-day time extension for Contract 8465B, Superbay Hangar Fire Protection Improvements with Schembri Construction, Inc.

8. Modification No. 1 to Contract No. 8427BR - Time Extension - Mel Leong Treatment Plant Shop Building - Schembri Construction, Inc.

No. 11-0149 Resolution approving a 75-day time extension for Contract No. 8427BR, Mel Leong Treatment Plant Shop Building, with Schembri Construction, Inc.

9. Modification No. 2 to Contract No. 8368 - Solid Waste Management - So. San Francisco Scavenger Company - $14,419.43

No. 11-0150 Resolution approving Modification No. 2 to Contract 8368, Solid Waste Management with So. San Francisco Scavenger Co. to increase contract amount by $14,419.43 for a new total contract amount not to exceed $4,505,259.43 for additional solid waste disposal services.

Commissioner Johns noted that she has had a lot of questions about this in the past. What were the extra services that incurred the additional funding?

Mr. Satero said that this contract just expired and we did a final cost reconciliation.

Commissioner Johns assumed that this has nothing to do with the new contract; this is an adjustment to the old contract?

Mr. Satero said that we added a lot of scope to the contract ... Terminal 2 was a new add to the project. We had a contingency budget, but that contingency budget was insufficient by this $14,000 to add that additional facility as part of their waste collection services. And then we implemented some other initiatives like the composting project ... back of house food waste composting. And so these types of things created additional services for that previous contract.

10. Amendment No. 4 to Pacific Gateway Concessions, LLC's Boarding Areas "B" and "C" Principal Concession Lease No. 98-0228

No. 11-0151 Resolution approving one two-year option, commencing on June 18, 2012, and two one-year options, the last of which shall expire no later than June 17, 2017, by Amendment No. 4 to Boarding Areas "B" and "C" Principal Concession Lease No. 98-0228 with Pacific Gateway Concessions, LLC.

11. Authorization to Accept Proposals for the Terminal 3, Boarding Area "F" Hub Food and Beverage Kiosk Lease

No. 11-0152 Resolution approving the revised minimum qualification requirements and lease specifications, and authorizing staff to accept proposals for the Terminal 3, Boarding Area F Hub Food and Beverage Kiosk Lease.

12. Amendment No. 1 to Pacific Gateway Concessions, LLC.'s Newsstands Lease No. 04-0165

No. 11-0153 — Resolution approving a holdover exceeding twelve months to no later than March 13, 2012, by Amendment No. 1 to Terminal 3 Newsstand Lease No. 04-0165, a DBE Set-Aside, with Pacific Gateway Concessions, LLC

13. Amendment No. 3 to North Terminal Bookstore Lease No. 00-0176 with Books, Inc.

No. 11-0154 — Resolution approving Amendment No. 3 to Books, Inc.'s North Terminal Bookstore Lease No. 00-0176 allowing the extension of the holdover period to no later than September 14, 2013.

14. Issuance of a Rental Credit Related to the Purchase of Two Passenger Boarding Bridges and Related Equipment from Continental Airlines

No. 11-0155 — Resolution approving the purchase of two Passenger Boarding Bridges from Continental Airlines, Inc. to be put to future use with other airlines at San Francisco International Airport.

* * *

I. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Brown Act (California Government Code Section

54954.3) and Sunshine Ordinance (San Francisco Administrative Code Section 67.10) on whether to conduct al Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:33 AM and the closed session began.

CONFERENCE WITH LEGAL COUNSEL regarding pending litigation (Government Code Section 54956.9(a), Administrative Code Section 67.8(a)(3)): *Airis SFO, LLC,* et al. v. *City and County of San Francisco*, et al., San Mateo Superior Court, Case No. 448274, filed July 15, 2005; *Coral Construction, Inc.* v. *City and County of San Francisco*, et al [consolidated action], San Francisco Superior Court, Case Nos. 319549 and 421249, filed September 12, 2000.

There are no other planned agenda items for the Closed Session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under the Brown Act (Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (Administrative Code Section 67.11).

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:45 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:46 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO
# AIRPORT COMMISSION

# MINUTES

GOVERNMENT
DOCUMENTS DEPT
AUG 18 2011
SAN FRANCISCO
PUBLIC LIBRARY

**July 19, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES: | | |
| | | Special meeting of June 30, 2011 | 11-0156 | 4 |
| D. | | SPECIAL ITEMS: | | |
| | 1. | Retirement Resolution - Mr. Frank O'Leary | 11-0157 | 4 |
| | 2. | Retirement Resolution - Ms. Linda Homer | 11-0158 | 5 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 5 |
| F. | | POLICY: | | |
| | 3. | Restaurant Employee Benefit Surcharge | 11-0159 | 5 |
| G. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 4. | Award PSA, Contract 8427C.9 - Construction Management Services for Industrial Wastewater Treatment Plant - PMA/NBA, Joint Venture | 11-0160 | 6 |
| | 5. | Modification No. 3 to Contract 8329 - Parking Access Revenue Control System - Scheidt & Bachmann | 11-0161 | 6-7 |
| | 6. | Terminate Contract 8974A for Convenience and Issue RFQ/P - Contract 8974B - Design-Build Services - Terminal 3 Boarding Area Improvements | 11-0162 | 7-9 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 7. | Modification No. 3 to contract 8738 - Exercise Third and Final One-year Option for General Airport Security Services - Covenant Aviation Security, LLC | 11-0163 | 9 |
| | 8. | Phase 3 to Contract 8815 - 700 MHz Digital Trunked Communications system upgrade, Modification No. 1 - Motorola, Inc. | 11-0164 | 9-10 |
| | 9. | Negotiate PSC 9073 - Maintain and Repaid Certain Airport-owned Passenger Boarding Bridges and Baggage handling Systems in Domestic Terminals | 11-0165 | 10 |
| | 10. | Clear Channel Outdoor, Inc.'s Advertising Lease 00-0408 - Exercise 2nd of Three One-year Options | 11-0166 | 10 |

| | | | | |
|---|---|---|---|---|
| | 11. | Item was removed from the calendar. | | 10 |
| | 12. | Reject Bids - Contract 8582 - Rental Car Center Exit Stair | 11-0167 | 10 |
| | 13. | Bid Call - Contract 8675A - Terminal 1, Boarding Area B - Restrooms Addition | 11-0168 | 10 |
| | 14. | Time Extension - Contract 8656 - International Terminal Roadway Expansion Joints Repairs | 11-0169 | 10-11 |
| I. | | NEW BUSINESS: | | 11 |
| J. | | CORRESPONDENCE: | | 11 |
| K. | | CLOSED SESSION: | | 11 |
| L. | | ADJOURNMENT: | | 11 |

AIRPORT COMMISSION MEETING MINUTES
July 19, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 19, 2011 were adopted unanimously.

No. 11-0156

* * *

M. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Frank O'Leary

No. 11-0157 — Resolution thanking Mr. Frank O'Leary for more than thirty (30) years of dedicated service to the City and County of San Francisco and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said that we recognize Mr. O'Leary for his 37 years of service, retiring as an Airport Operations Service Supervisor. Frank had extensive knowledge of the airfield and Airport Operations and was respected for his professional personal approach in working with tenants and employees.

Commissioner Mazzola congratulated Mr. O'Leary.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

2. Retirement Resolution for Ms. Linda Homer

No. 11-0158 — Resolution thanking Ms. Linda Homer for 29 years of dedicated service to the City and County of San Francisco and a total of 43 years at San Francisco International Airport and to offer best wishes for a long and fruitful retirement.

Mr. Martin said Linda Homer has been a Secretary for the Airport Deputy for Operations for her entire 29 years at the Airport. Prior to working for SFO she worked for Northwest and Republic Airlines. Linda has had a long career at the Airport and was a very dedicated employee with the highest level of integrity. We will certainly miss her personal and dedicated approach to serving the Airport.

Commissioner Guggenhime commented that we should not allow her to retire.

Commissioner Mazzola congratulated Ms. Homer on her retirement.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. POLICY:

Item No. 3 was moved by Commissioner Stern and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Restaurant Employee Benefit Surcharge

No. 11-0159 — Resolution approving a one percent (1%) surcharge at Airport food and beverage locations where employers provide health benefits at a cost exceeding $6.00 per hour.

Mr. Leo Fermin, Deputy Director, Business and Finance said that Airport food and beverage operators and Local 2 have reached agreement on a new labor contract. Since employee health benefit costs are increasing, the operators have asked for a 1% surcharge to help offset this rising cost. We recommend approval of the 1% surcharge, which is similar to what many San Francisco restaurants are already charging as a result of the City's health care requirement.

* * *

G. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Award Professional Services Agreement, Contract No. 8427C.9 - Construction Management Services for Industrial Wastewater Treatment Plant - PMA/NBA Joint Venture - $1,650,250

No. 11-0160 Resolution awarding professional services agreement, Contract No. 8427C.9, Construction Management Services for Industrial Wastewater Treatment Plant to PMA/NBA J.V., in an amount not to exceed $1,650,250 for services thru June 2016.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this item awards Contract 8427C.9 to PMA/NBA Joint Venture, for CM services in support of the Industrial Wastewater Treatment plant project. The existing Mel Leong Treatment Plant is a dual process system. It has the sanitary sewer system treatment plant as well as the industrial waste treatment plant. The sanitary sewer plant was rebuilt and put into operation in 2004. The industrial waste plant was built in 1979 and is substantially beyond its life expectancy and is in need of replacement and upgrade. The project will replace the process building and laboratory and will ensure that the Airport continues to meet the discharge requirements established by the California Regional Water Quality Control.

PMA/NBA will provide two primary tasks. The first task is to prepare design bridging documents to be used for the RFP process to procure a design build firm; the second is the CM services to support the project during implementation of the design build contract.

Staff successfully negotiated with PMA/NBA the billing rates, staffing and budget, overhead multipliers, and the contract is structured as a reimbursables for time and materials. The total budget for services is $1.65 million with a contract duration of up to 5 years. PMA/NBA committed to meeting the HRC goal of 18%.

Commissioner Johns asked when this will be complete.

Mr. Satero replied that it's a 2-1/2 to 3 year project and we are in the early stage. There are a lot of testing and commissioning activities that happen and we have asked for an extended duration of 5 years just to make sure we accommodate any prolonged commissioning activities.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

5. Modification No. 3 to Contract No. 8329 - Parking Access Revenue Control System (PARCS) - Scheidt & Bachmann USA, Inc. - $1,650,000

No. 11-0161 Resolution approving Modification No. 3 to Contract 8329, Parking Access Revenue Control System with

Scheidt & Bachmann, USA, Inc. for additional work to add multi-use capability for long-term and employee parking at Lot D in the amount of $1,650,000.

Mr. Ivar Satero said that this item modifies the contract with Scheidt and Bachmann to enhance the Parking Access Revenue Control System (PARCS)at Lot D for a not to exceed amount of $1,650,000.

The base contract provides for installation of a new PARCS including software, hardware and controls for all SFO revenue parking lots. The base contract also provides for O&M services for a 3-year fixed period that was bid as part of the base contract for operations and maintenance services, and 3 one-year options are at the sole discretion of the Commission, following acceptance of the system.

This contract incurred significant delays as a result of several technical difficulties encountered during installation, primarily related to software design. They finished late and in lieu of assessing liquidated damages we negotiated additional services. The additional services were to implement a revenue control system at the Lot C facility as well as the Westfield employee parking lot and Lot C. We also received some pay on foot machines at International Terminal parking garages A and G and an upgrade to our PCI system.

Commissioner Johns asked if the PARCS also controls the taxi movement.

Mr. Martin replied that it's entirely different.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Authorization to Terminate Contract 8974A for Convenience and Issue RFQ/P - Contract 8974B, Design-Build Services for Terminal 3 Boarding Area E Improvements

No. 11-0162 — Resolution authorizing Terminating for Convenience Contract 8974A with Hensel Phelps Construction Co. for the Terminal 3, Boarding Area E Refurbishment Project, and issue a Request for Qualifications/ Proposals for Design-Build Services for Contract 8974B, Terminal 3, Boarding Area E Improvements Project.

Mr. Satero said that this item has those two distinct actions. One terminates for convenience the Hensel Phelps contract. The second authorizes issuance of the RFQ/RFP process for the new Boarding Area E project.

The recommended termination for convenience is essentially based on our experience with the Terminal 2 project and successful opening. It's clear that passenger experience is critical to the success of terminal projects. The revenue that we are seeing from food/beverage and retail operators are well in excess of

our original forecasts and are also in excess of the operators' forecast, which are more conservative. We have set a model and standard in terminal design that is focused on passenger experience. The original Boarding Area E project was essentially a system's upgrade with a proposed budget of about $23.8 million. At the last award of trade bid packages we updated the forecast which was $35.9 million. The increase was essentially due to the Airport's decision to look at Boarding Area E as a 40-year life span project instead of the original 10-year life span project. Our original goal was to get it done quickly and open it at the lowest cost possible, but as we went through it the amount of improvement grew to an extent that it made sense to provide for a 40-year useful life facility rather than the 10-year life envisioned under the original budget and RFP.

Following the successful opening of Terminal 2, we conducted a re-visioning session of the Boarding Area E project with Airport divisions and stakeholders, similar to the process conducted in the early phase of Terminal 2. The outcome of the exercise was that the proposed design did not adequately address major passenger experience issues, including holdroom seating capacity, an appropriate concessions program, and the aesthetic quality standard set in Terminal 2. Based on this approach, we developed some concepts that were focused on meeting the objectives of the passenger experience. Fundamental to this is the need to expand the facility footprint and relocate facilities which impede circulation and limit seating capacity. The proposed expansion may include up to 20,000 sq. ft. of new building area to accommodate an appropriate concessions program, the necessary seat counts, and develop the appropriate architectural language to the building. The revised estimate is closer to $100,000,000 - $104,000,000 and is a fundamentally different project from what we had issued in the RFP, which kept the project within the existing building footprint. This is what is legally considered to be a "cardinal change" to the contract and requires a re-solicitation in order to protect the public interest.

Staff will prequalify firms based on expertise and experience in airport terminal design and construction. A selection panel will evaluate the firms' qualifications and develop a ranking. Based on the ranking, Staff will shortlist at least 3 firms. The selection panel will then review the technical proposals, conduct interviews and score the three firms. Staff will analyze the cost proposals and combine the cost score with the selection panel scores to develop a ranking in accordance with the design-build ordinance. Staff will then return to the Commission with a recommendation to award a contract to the highest scoring firm.

We will work with the HRC to update the LBE participation opportunities in the project. Funding will be provided from the Capital Improvement Program budget.

Commissioner Johns asked about the new timeline.

Mr. Satero replied that it will be a much more lengthy project, likely in the 24-28 month time frame.

Commissioner Johns asked if it would ne more expensive.

Mr. Satero replied that it will.

Commissioner Mazzola asked how we terminate the agreement with Hensel Phelps ... do we buy it out?

Mr. Satero replied that we have awarded trade bid packages in the amount of $22,000,000, with $19,000,000 certified. We have stopped the work but they have performed some work. We wanted them to proceed with demolition, and an Industrial Hygienist is setting up the site, so the total closeout of the project is in the $3,000,000-$4,000,000 range. We have a termination date of September.

Mr. Martin said that the expanded project will allow us to deliver a boarding area similar in quality and service to Terminal 2. We will also be able to meet our commitment to keep airline costs below $19 per passenger, a goal we will be able to meet even with the expanded program.

Commissioner Johns asked if that is because you're spreading it out over a longer period of time.

Mr. Martin replied that we're doing so well on the revenue side because of Terminal 2 and we'll also pick up more concession revenue in Boarding Area E. We're expanding the square footage so the airlines will be renting more space.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Action Items. All matters listed under the Consent Calendar are considered to be routine in nature and will be considered and acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be discussed before a vote is taken.

The Consent Calendar, Item Nos. 7 through 10 and 12 through 14, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous. Item No. 11 was removed from the calendar.

7. Modification No. 3 to Contract 8738 to Exercise the Third and Final One-year Option for General Airport Security Services - Covenant Aviation Security, LLC - $780,000

No. 11-0163 Resolution approving Modification No. 3 to Contract 8738, General Airport Security Services Contract with Covenant Aviation Security, LLC to exercise the third and final one-year option and to increase the contract amount by $780,000 for a not-to-exceed total amount of $3,690,000.

8. Phase 3 to Contract No. 8815 - 700 MHz Digital Trunked Communications System Upgrade, Modification No. 1 - Motorola, Inc. - $500,000

No. 11-0164 Resolution approving Phase 3 to Contract 8815 with Motorola, Inc., 700 MHz Digital Trunked Radio Communications System, Modification No. 1 by increasing the contract amount by $475,000, which is

within the overall approved budget, for a total contract amount not to exceed $2,775,000; and to extend the term by six months to March 1, 2012.

9. Authorization to Negotiate Professional Services Contract 9073 - Maintain and Repair Certain Airport-owned Passenger Boarding Bridges and Baggage Handling Systems in Domestic Terminals

No. 11-0165 Resolution authorizing the Airport to enter into negotiations with the top ranked proposer for Professional Services for Contract 9073, Maintain and Repair Certain Airport-owned Passenger Boarding Bridges and Baggage Handling Systems in Domestic Terminals in the amount of $350,000 per year for three years of service, with two one-year options.

10. Clear Channel Outdoor, Inc.'s Airport Advertising Lease No. 00-0408 - Exercise of the Second of Three One-Year Options

No. 11-0166 Resolution exercising the second of three one-year options under Airport Advertising Lease 00-0408 with Clear Channel Outdoor, Inc., for a term of April 1, 2012 through March 31, 2013, under the same terms and conditions.

11. This item was removed from the calendar.

12. Reject all Bids - Contract No. 8582 - Rental Car Center (RCC) Exit Stair

No. 11-0167 Resolution rejecting all bids for Contract No. 8582, Rental Car Center Exit Stair, and authorizing the Director to re-bid this contract when ready.

13. Bid Call - Contract 8575A - Terminal 1, Boarding Area 'B' - Restrooms Addition

No. 11-0168 Resolution approving the scope, budget, and schedule for Contract No. 8575A, Terminal 1, Boarding Area 'B' Restrooms Addition, and authorizing the Director to call for bids when ready.

14. Approve Time Extension for Contract 8656 - International Terminal Roadway Expansion Joints Repairs

No. 11-0169 Resolution approving a 262-day time extension for Contract No. 8656, International Terminal Roadway Expansion Joints Repairs, to complete the additive alternate scopes of work at no additional cost to the Airport.

* * *

I. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**August 16, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT

SEP - 7 2011

SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of July 19, 2011 | 11-0170 | 4 |
| D. | | DIRECTOR'S REPORTS: | | |
| | 1. | FY 2010/11 Airline Traffic | | 4-5 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 5 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Air Carrier Incentive Program | 11-0171 | 5-6 |
| | 3. | Award Contract 8613 - Taxiways C, F1 and S Reconstruction - Granite Rock dba Pavex Construction | 11-0172 | 6-7 |
| | 4. | Revised Minimum Qualification Requirements & Lease Specifications - Expedited Traveler Service Lease | 11-0173 | 7-8 |
| | 5. | RFP - Bus Operator to Provide Long-Term Parking & Employee Shuttle Bus Service | 11-0174 | 8 |
| | 6. | SFO - Presidio Trust MOU | 11-0175 | 9-10 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 7. | Increase OTA with TSA - Design of International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program | 11-0176 | 11 |
| | 8. | OTA with TSA - Construction of International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program | 11-0177 | 11 |
| | 9. | Award Contract 8580 - Terminal 3 Carpet Replacement - Golden State Carpet Service, Inc. | 11-0178 | 11 |
| | 10. | Revised Business Terms and Accept Proposals - Luggage Cart Lease and Operating Agreement | 11-0179 | 12 |
| | 11. | Award Contract 9112 - Customer Survey & Service | | |

| | | | |
|---|---|---|---|
| | Benchmarking Associated with the Airport Service Quality Program - DKMA, S.A. | 11-0180 | 12 |
| 12. | Award Contract 9114 - Sole Source Professional Services Agreement for Parking Access Revenue Control System - Scheidt & Bachmann | 11-0181 | 12 |
| 13. | Approve 2011 Lease & Use Agreement with Swiss International Air Lines, Limited | 11-0182 | 12 |
| 14. | Revised Minimum Qualifications, Lease Specifications & Proposal Requirements - International Terminal Automated Retail Lease | 11-0183 | 12 |
| 15. | Modification No. 1 to Contract 8854 - Veterinary Services for SFPD-Airport Bureau K-9 Unit - White Ivie Pet Hospital | 11-0184 | 13 |
| 16. | Amendment No. 1 to Pacific Gateway Concessions Boarding Areas B and C News & Bookstores Lease | 11-0185 | 13 |
| 17. | Exercise Two-Year Option - Travel Agency and Over-the-Counter Baggage Storage Lease - Airport Travel Agency, Inc. | 11-0186 | 13 |
| 18. | Exercise One-year Option for Domestic Banking Services Lease - Bank of America, N.A. | 11-0187 | 13 |
| 19. | Rental Credit to Southwest Airlines, Co. - Repair of Two Airport-owned Passenger Boarding Bridges | 11-0188 | 14 |
| 20. | Early Termination of Boarding Area F Newsstand Lease - Pacific Gateway Concessions, LLC | 11-0189 | 14 |
| 21. | RFQ - Architectural &Engineering Support Services for Projects in Airport's Five-Year Capital Improvement Program | 11-0190 | 14 |
| 22. | Bid Call - Contract 8976 - Terminal 3 Hub Food Court Expansion | 11-0191 | 14 |
| 23. | Modification # 23 to SFO Shuttle Bus Co. Contract | 11-0192 | 14 |
| H. | NEW BUSINESS: | | 15 |
| I. | CORRESPONDENCE: | | 15 |
| J. | CLOSED SESSION: | | 15 |
| K. | ADJOURNMENT: | | 15 |

AIRPORT COMMISSION MEETING MINUTES
August 16, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 19, 2011 were adopted unanimously.

No. 11-0170

* * *

L. DIRECTOR'S REPORT:

1. Fiscal Year 2010/11 Airline Traffic

Report on Fiscal Year 2010/11 airline traffic.

Mr. Leo Femin, Deputy Director, Business and Finance said he was pleased to report that as of June 30 we experienced two years in a row of solid passenger growth. In FY2010/11 total enplanements increased by 3.9%. Of this increase, domestic enplanements increased by 3.4% and international enplanements by 5.3%. Total enplanements were19.8 million, we are now at the level of 40 million annual total passengers. During the year, service started to six new domestic cities and four new cities in Mexico. Service to Seoul was increased to daily flights from four-weekly by one carrier, and two airlines began a seasonal up gauging of aircraft to A380. Domestic growth occurred among all low cost carriers and many legacy carriers. On the international side, Asia saw the strongest growth during the first half of the fiscal year, then declined in the last quarter, especially to and from Japan after the earthquake and tsunami. Europe had the best overall growth, increasing by 10.5% from the prior year. On a percentage change basis, traffic to Canada grew by 11.1%, although the absolute number of additional passengers was less, at 132,000, compared to an additional 220,000 to and from Europe.

The Attachment C chart compares this past fiscal year against the pre-recession year of 2008. The increases we experienced since then is the second highest increase after Miami Airport. Also, as another point of comparison, our 3.9% total increase compares to a nationwide increase of 2.1% in calendar year 2010.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Air Carrier Incentive Program

No. 11-0171 — Resolution approving terminating the Aviation Market Stimulus Program and developing and implementing a new carrier incentive program offering a 100% waiver of landing fees for one year for any new non-stop international route currently not served from SFO.

Ms. Kandace Bender, Deputy Director, Communications & Marketing said in 2004 the Commission began the Aviation Stimulus Program to attract new international service. The program waived 50% of landing fees to any airline that began service to a previously unserved international destination. Six airlines, five of them new, took advantage of the program and we saw new service to Nagoya, Dublin, Lima, Dubai, Auckland, and Zurich. All but one of these routes continue today. But the market is more competitive and today at least eight other gateway international airports in the U.S. offer up to 100% off landing fees for one year. We propose to do the same ... 100% off landing fees for one year for any airline, current or new, that begins non-stop service to a new international market. Business & Finance staff did an analysis of the financial impact and determined that the increase in revenue overall from new international service is greater than the loss of landing fees. This helps lower the cost per enplaned passenger for all of our airlines.

Commissioner Guggenhime asked what kind of revenues did we lose based on a 50% discount in 2008, 2009 or 2010.

Ms. Bender replied that depending on the aircraft size, the number in service, and the number of passengers, it could be a couple of hundred thousand dollars.

John Martin, Airport Director added that we found an increase in concession sales, parking revenue, rental car revenue, exceeded that loss.

Commissioner Stern asked how many new routes we forecast with this incentive.

Ms. Bender replied that we don't know. We are working with a number of different airlines and it is certainly something they are interested in looking at. It takes a number of years to attract a new carrier, but we are progressing. We think that in 2012, with delivery of new aircraft to some airlines, we might see more service.

Commissioner Johns asked if the eight other airports were major airports.

Ms. Bender replied that they are ... Miami, DFW, Seattle, Atlanta, Houston .... All of those airports that can attract service that would fly right over the top of San Francisco from international points. New York and L.A. don't offer a 100%.

Commissioner Johns asked when we offered 50% did we do it for one year also. Is it the same time period, just a different percentage?

Ms. Bender replied it is. It's one year from start of service.

Commissioner Guggenhime said that he thought it started in 2004.

Ms. Bender said that it did. We've renewed it each year, but the incentive is only good for twelve months for each airline.

Commissioner Larry Mazzola asked if there is a study regarding how successful this has been at other airports.

Ms. Bender replied that she was not aware of any studies.

Commissioner Mazzola suggested that we provide 100% landing fee waiver for one year provided that they stay the full year. If they don't make the year, it goes to 50% for the time the airline maintained the flight.

Ms. Bender responded that the airline will have to pay us back if they leave before one year.

Mr. Martin said that in 2004 we provided this incentive to six or seven new cities.

Ms. Bender responded that we had six, and five are still serving the Airport.

Item No. 3 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Award Contract 8613 - Taxiways C, F1, and S Reconstruction - Granite Rock Company dba Pavex Construction - $5,191,930

No. 11-0172 — Resolution awarding Contract 8613, Taxiways C, F1, and S Reconstruction, to the lowest responsive, responsible Bidder, Granite Rock Company dba Pavex Construction, in the amount of $5,191,930.

Mr. Ivar Satero, Deputy Director, Design and Construction said this contract provides for taxiway reconstruction for various areas to essentially address settlement issues with pavements as well as to replace some of the old piping and upgrade lighting systems. We'll also be adding drainage to prevent ponding which tends to exacerbate settlement issues. We received five bids in response to the July 13 call for bids. Staff determined Granite Rock Co, dba Pavex to be the apparent low bidder at $5,191,930, which included the three added alternatives. It's within the $5.3 million engineer's estimate. Granite has been determined to be responsive to the bid requirements and eligible for award. The project is federally compliant and is eligible for up to 75% AIP funding. We received FAA approval to award the contract. Granite has committed to achieving 30% DBE participation.

Commissioner Guggenhime asked if the $360,000 for Type 1 modifications plus $100,000 for disposal of potentially contaminated soil on top of the number.

Mr. Satero replied that it's on top of the number. It's an Airport controlled fund. We have a reasonable expectation that we will hit contamination and that's why it was delineated separately.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Approval of Revised Minimum Qualification Requirements and Lease Specifications for the Expedited Traveler Service Lease

No. 11-0173 Resolution approving revised minimum qualification requirements and lease specifications for the Expedited Traveler Service Lease, formerly known as the Private Sector Registered Traveler Lease.

Mr. Fermin said that the Commission authorized issuing a request for proposals for a Registered Traveler Service on May 17. At that time we anticipated the same business model that our former Registered Traveler concession operated which included registering passengers, collecting biometric and identification data, verifying the identification of the members at the checkpoint, and assisting them through the checkpoint process. However, we now think that the Registered Traveler aspect of this lease is one that strictly shuttles passengers to the front of security checkpoint line. TSA/Covenant staff check the boarding pass against the ID and then the passenger is screened by TSA/Covenant in the usual manner. Therefore, we are seeking changes to the business terms initially approved for this request for proposal. We have also renamed this concession the "Expedited Traveler" because we would like to allow related passenger amenities offered via Smartphone technology such as assistance with parking, flight, concessions and baggage information. For example, we envision providing a better customer service experience for passengers in addition to getting in front of the line. While moving from the curb to the gate the passenger might reserve and pay for parking in our garage, arrange for baggage service or check-in, order food for pick-up to take on the flight, arrange for hotel and ground transportation at their destination, and pay using a Smartphone as they go through the security screening process.

Commissioner Guggenhime asked where else these amenities are offered.

Mr. Fermin replied that JFK just started such a program. DFW is doing it with food and beverage.

Commissioner Guggenhime asked if we know what they are going to charge.

Mr. Fermin said that we don't. It remains to be seen in the proposals we receive.

Item No. 5 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Request for Proposals for a Bus Operator to Provide Long-term Parking and Employee Shuttle Bus Services at San Francisco International Airport

No. 11-0174 — Resolution authorizing Airport staff to proceed with a Request for Proposals for a Bus Operator to Provide Long-term Parking and Employee Shuttle Bus Services at San Francisco International Airport.

Mr. Tryg McCoy, Deputy Director, Operations and Security said this item seeks approval to issue a request for proposal for long term parking for employees and passengers. In 1996 the Commission awarded a contract to SFO Shuttle Bus Co. to operate the employee and public shuttle bus service. The term was ten years with up to five additional one year options commencing January 1998, and potentially ending in January 2013. In January 2011, the fourth of five one year options was exercised. The current contract stipulates that the contractor will operate both employee and long term parking 24/7. Airport staff determines the frequency of the bus service. The current all inclusive cost for this service in 2012 is expected to be $8.7 million. This includes drivers, mechanics, maintenance of 23 buses, fuel and insurance. Staff will return to the Commission to extend the term for 6 months, from Jan. 2012 thru June 30, 2012, rather than the 12 month period, to allow sufficient time to begin a new contract on July 1, 2012.

The RFP will contain appropriate scope for the desired service with a provision to replace up to 12 new buses. Six buses will be replaced at the beginning of the contract, and 3 to 5 years later, as determined by the Airport, six additional buses will be replaced. These buses will meet the Airport's Clean Vehicle Policy ... CNG buses will replace bio diesel buses. The term will be 4 years with up to 3 two year options, exercisable at the sole discretion of the Commission. Award will be for approximately $42,000,000, with $36,000,000 for maintenance and operation

costs and staffing, and up to $6,000,000 for the purchase of 12 new buses.

Commissioner Guggenhime asked why we are we reducing the contract term from a total of 10 years to sever years.

Mr. McCoy responded that we believe it was too long, however, that could change based on what vendors say.

Item No. 6 was moved by Commissioner Stern and seconded by Commissioner Johns. The vote to approve was unanimous.

6. San Francisco Airport - Presidio Trust Memorandum of Understanding

No. 11-0175 Resolution authorizing the Director to enter into a Memorandum of Understanding (MOU) with the Presidio Trust regarding the potential purchase of approximately 7.6 acres of Wetland Creation Acreage at the Presidio to provide compensatory wetlands mitigation for the proposed Airport Runway Safety Area (RSA) Projects.

Mr. Nixon Lam, Manager, Planning said this item authorizes the Director to enter into a non-binding of Memorandum of Understanding (MOU) with the Presidio Trust (Trust) for the potential purchase of approximately 7.6 acres of Wetland Creation Acreage located in the Presidio as compensatory wetlands mitigation for the proposed Airport Runway Safety Area (RSA) Project. The RSA Project would construct improvements in the RSA of the airfield pursuant to FAA design standards and in compliance with public law 109-115 to complete construction of these RSA improvements by December 31, 2015. To meet the 2015 deadline, the first phase of construction must begin by summer of 2012. Federal and State environmental reviews must be completed by November 2011, and environmental permits approved by January of 2012. The RSA projects will require filling approximately 3.7 acres of wetlands which is subject to the jurisdiction of US Army Corps of Engineers and the Regional Water Quality Control Board under the Federal Clean Water Act. These jurisdictional areas are generally located at the end of runways next to So. McDonnell Rd. near Highway 101 and because of their location provide little habitat value for wetland dependent species. In discussions with the Trust we identified three projects in the Presidio to create approximately 7.6 acres of wetland compensation at Quartermaster Reach, YMCA Reach and the east arm of Mountain Lake. The three Presidio projects are part of a larger restoration program under the 2001 Presidio Vegetation Management Plan that will restore water sheds to feed into Crissy Field Marsh and Mountain Lake. The Airport proposes to include the three wetland creation projects in our Corps and Water Board permit applications to compensate for the fill of these on-Airport wetlands. In our preliminary discussion with regulatory agency staff, three Presidio projects were found to be acceptable to the permitting agencies and compensable for on-Airport wetlands to be filled. The MOU will provide a mutual understanding of the principles upon which the Airport and the Trust wil cooperate in seeking regulatory agency permission for issuance of permits for the RSA project. The Airport Director would return to seek Airport Commission approval to enter into a funding agreement with the Trust when the environmental review process is completed in November of this year. The proposed MOU specifies the Airport's funding support based on reasonable and customary cost of design, construction, monitoring and maintenance as required by the regulatory agencies and establishes a timeframe for performance. Preliminary estimates indicate a cost of approximately $7 million will be necessary for the creation of 7.6 acres at the three Presidio project sites. The Trust will provide assurance that the mitigation projects will commence and be completed as required by the regulatory agency

permit conditions. In addition, the Trust agrees that any shortfall in terms of target acreage for the 3 mitigation sites will be addressed by Trust-sponsored Wetland Mitigation efforts without additional funding from the Airport.

Commissioner Johns said that she is very happy to see that this mitigation will be done in the Presidio. It's a wonderful thing for San Francisco. She is on the Board of a small group called The Friends of Mountain Lake Park and she is quite aware of the East Arm of Mountain Lake project, not totally in regards to the restoration of the wetlands but in regards to the cleanup of Mountain Lake, which she understands will be occurring sometime in 2012. She asked if the first phase of this mitigation work must begin by 2012 in all 3 projects or in just one project?

Mr. Lam replied that he was referencing the first phase of the RSA project which must begin middle of 2012.

Commissioner Johns asked when the mitigation must begin.

Mr. Lam responded that we will be meeting with the Presidio Trust to prepare the project schedules consistent with the Water Board requirements.

Commissioner Johns said that in working with the Presidio she wants to make sure that communication is clear and that this will come back to us before money is expended. We are simply authorizing to proceed with the MOU today. The concern is for communication and coordination ... we know what they're doing and they know what we are doing and are expecting to have accomplished, and that it be done within the time lines that are necessary and that there are follow-ups.

Commissioner Mazzola asked if this is our first time participating in such a project at Crissy Field.

Mr. Lam responded that we had a mitigation project at Crissy Field for the Master Plan and also provided funding for water quality enhancement at Mountain Lake.

Commissioner Mazzola commented that this is a good project, but asked if the Port participates.

Mr. Martin replied that some philanthropic organizations gave money for the Crissy Field restoration.

Commissioner Mazzola asked about other City agencies.

Mr. Lam replied not at this point. The mitigation credits would be for the Airport's Runway Safety Area projects with respect to mitigation.

Commissioner Mazzola asked if it was just mitigation or the lake.

Commissioner Johns said that it's not in the lake itself, but an area just east of the lake where a creek bed has become dried out. They want to dig it up and there's something in the plans that indicates a bridge is to be constructed. I just want to make sure that the $1,000,000 will actually cover the entire project.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 23, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Increase in the Other Transaction Agreement with the Transportation Security Administration (TSA) for the Desgn of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program - $368,599

   No. 11-0176 — Resolution authorizing the Airport to execute an increase in the amount of the OTA with the TSA for reimbursement of the design of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization program in the amount of $368,599.

8. Authorize an Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA) for Construction of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program

   No. 11-0177 — Resolution authorizing the Airport to enter into an OTA with the TSA for reimbursement of construction of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program in an amount not to exceed $40,456,890.

9. Award Contract 8580 - Terminal 3 Carpet Replacement - Golden State Carpet Service, Inc. - $2,927,790

   No. 11-0178 — Resolution awarding Contract 8580, Terminal 3 Carpet Replacement, to the responsible bidder submitting the lowest responsive bid, Golden State Carpet Service, Inc., in the amount of $2,927,790.

   Commissioner Johns asked if we already know what kind of carpet we will get, or is this just going out to bid for general carpeting?.

   Mr. Satero replied that we know ... the carpet is specified.

   Commissioner Johns asked if we are getting what we had, or are we upgrading.

   Mr. Satero replied that it's similar to the T2 carpet design ... it's a carpet tile product in different size squares.

   Commissioner Johns assumed that it will be easy to replace in sections.

10. Approval of the Revised Business Terms and Authorization to Accept Proposals for the Luggage Cart Lease and Operating Agreement

No. 11-0179 — Resolution approving revised minimum qualifications, lease specifications, and proposal requirements, and authorizing staff to accept proposals for the Luggage Cart Lease and Operating Agreement.

11. Award Contract No. 9112 - Customer Survey and Service Benchmarking Associated with the Airport Service Quality Program - DKMA, S.A. - $175,000

No. 11-0180 — Resolution awarding Contract 9112 to DKMA, S.A. to perform all activities related to participation in ACI's Airport Service Quality Survey and Benchmarking Program in an amount not to exceed $175,000.

12. Award Contract 9114 - Sole Source Professional Services Agreement for Parking Access and Revenue Control System Scheidt & Bachmann - $200,000

No. 11-0181 — Resolution awarding Contract 9114 for a Sole Source Professional Services Agreement with Scheidt & Bachmann to complete a technology refresh for the Parking Access and Revenue Control System (PARCS) in an amount not-to-exceed $200,000.

13. Approve 2011 Lease and Use Agreement with Swiss International Air Lines, Limited

NO. 11-0182 — Resolution approving the 2011 Lease and Use Agreement with Swiss International Air Lines, Ltd. and directing the Commission Secretary to request Board of Supervisors' approval of the 2011 Lease and Use Agreement.

14. Approve Revised Minimum Qualifications and Lease Specifications and Proposal Requirements for the International Terminal Automated Retail Lease

No. 11-0183 — Resolution approving revised minimum qualifications, lease specifications, and proposal requirements, and authorizing staff to accept proposals for the International Terminal Automated Retail Lease.

Commissioner Johns asked what was meant by an automated retail lease.

Mr. Fermin replied that it's the high tech vending machines we have in the International terminal. Zoom currently has the lease.

15. Modification No. 1 to Contract 8854 - Veterinary Services for the San Francisco Police Department - Airport Bureau K9 Unit - White Ivie Pet Hospital

No. 11-0184 — Resolution approving Modification No. 1 to Contract 8854, Veterinary Services for the San Francisco Police Department - Airport Bureau K-9 Unit, increasing the amount by $15,000 for the term ending September 30, 2011 for a new total not to exceed amount of $195,000; and exercising the first of two one year options in the amount of $75,000 for a new total contract amount of $270,000 for the term October 1, 2011 through September 30, 2012.

16. Amendment No. 1 to Pacific Gateway Concessions, LLC's Boarding Areas "B" and "C" News and Book Stores Lease No. 04-0231

No. 11-0185 — Resolution approving Amendment No. 1 to Pacific Gateway Concessions, LLC's Boarding Areas "B" and "C" Books and News Stores Lease No. 04-0231, to decrease the lease premises.

17. Exercise the Two-Year Option Term for the Travel Agency and Over-the-Counter Baggage Storage Lease No. 06-0182 with Airport Travel Agency, Inc.

No. 11-0186 — Resolution exercising the two-year option to extend the term of Travel Agency and Over-the-Counter Baggage Storage Lease No. 06-0182 with Airport Travel Agency, Inc. from January 1, 2012 through December 31, 2013.

18. Exercise One-Year Option for Domestic Banking Services Lease No. 00-0068 with Bank of America, N.A.

No. 11-0187 — Resolution exercising the first of two one-year options to extend the term of Domestic Banking Services Lease No. 00-0068, with Bank of America, N.A., for an option term of December 10, 2011 through December 9, 2012.

Commissioner Johns asked if this has anything to do with ATM fees.

Mr. Fermin replied that the fees will remain the same.

Commissioner Johns asked what the fees are.

Mr. Fermin responded that he thought it was $1.50, but wasn't sure.

19. Rental Credit to Southwest Airlines Co. for Repair of Two Airport-Owned Passenger Boarding Bridges

No. 11-0188 — Resolution approving a rental credit to reimburse Southwest Airlines Co. in an amount not-to-exceed $15,000 for repair of two Airport-owned passenger boarding bridges located at Gates 30 and 32A in Terminal 1.

20. Early Termination of Boarding Area "F" Newsstand Lease No. 04-0139 with Pacific Gateway Concessions, LLC

No. 11-0189 — Resolution approving early termination of Boarding Area F Newsstand Lease No. 04-0139 with Pacific Gateway Concessions, LLC, from February 28, 2012 to no earlier than November 1, 2011.

21. Request for Qualifications for Architectural and Engineering Support Services for Projects in the Airport's 5-year Capital Improvement Program

No. 11-0190 — Resolution authorizing the Airport to issue a Request for Qualifications for Architectural and Engineering Support Services to create a consultant pool list to provide architectural/engineering support services for projects in the Five-Year Capital Improvement Program estimated at $300,000 per year.

22. Bid Call - Contract No. 8976 - Terminal 3 Hub Food Court Expansion

No. 11-0191 — Resolution approving the scope, budget, and schedule for Contract 8976, Terminal 3 Hub Food Court Expansion, and authorizing the Director to call for bids when ready.

23. Modification #23 to the SFO Shuttle Bus Company Contract

No. 11-0192 — Resolution approving Modification No. 23 to the SFO Shuttle Bus Company Contract adjusting the basic hourly and incremental billing rates for the period January 1, 2011 through December 31, 2011 and reconciliation of Pension and Health and Welfare Premiums for calendar year 2010.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO
# AIRPORT COMMISSION

# MINUTES

**September 6, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

## EDWIN M. LEE, MAYOR

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT
SEP 22 2011
SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of August 16, 2011 | 11-0193 | 4 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | |
| E. | | ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 1. | Award Contract 8598 - Boarding Areas C & E Apron Reconstruction - Granite Rock Co., dba Pavex | 11-0195 | 4-5 |
| | 2. | RFP for Comprehensive Analysis of Shared-Ride Industry | 11-0196 | 5-7 |
| | 3. | RFP for Parking Management Professional Services Agreement | 11-0197 | 7-8 |
| | 4. | RFP for Airport Commission Employee Bike-Sharing System | 11-0198 | 8 |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 5. | Award Professional Services Agreement, Contract 9078.9 - Construction Management Services - New Data Center Facility - FE Jordan/Hill Intn'l J.V. | 11-0199 | 9 |
| | 6. | RFQ/P for Design-Build Construction Contract 9024A - Intn'l Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and Intn'l Terminal Baggage handling System Improvements | 11-0200 | 9-10 |
| | 7. | Reject Proposals Received in Response to RFP for Communications Services and Reissue New RFP for Contract 9097R for Communication Services | 11-0201 | 10 |
| | 8. | Modification No. 5 to Marketing Services Contract - The M-Line - $200,000 | 11-0202 | 10 |
| | 9. | Accept & Expend TSA Funding for K-9 Explosives Detection Team Program - $461,178 | 11-0194 | 10 |
| | 10. | Bid Call - Contract 9089 - Intn'l Terminal Bldg. - U.S. Customs / Employment & Community Partnerships | 11-0203 | 10-11 |

| | | | | |
|---|---|---|---|---|
| | 11. | Bid Call - Contract 9126 - Intn'l Terminal Arrival Level Seismic Joint Cover Replacement | 11-0204 | 11 |
| | 12. | RFP for Maintenance of Airport's Waters Perimeter Security buoy System | 11-0205 | 11 |
| | 13. | Bid Call - Contract 9040 - Hydrogen Fueling Station | 11-0206 | 11 |
| | 14. | RFP - Contract 9129 - As-Needed Executive Search Firms | 11-0207 | 11-12 |
| G. | | NEW BUSINESS: | | 12 |
| H. | | CORRESPONDENCE: | | 12 |
| I. | | CLOSED SESSION: | | 12 |
| J. | | ADJOURNMENT: | | 12 |

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime |
| Absent: | Hon. Linda S. Crayton, Vice President<br>Hon. Peter A. Stern |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 16, 2011 were adopted unanimously.

No. 11-0193

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Award Contract 8598 - Boarding Areas C & E Apron Reconstruction - Granite Rock Company, dba Pavex Construction - $3,603,983,50

No. 11-0195 — Resolution awarding Contract 8598, Boarding Areas C & E Apron Reconstruction to the lowest responsive responsible bidder, Granite Rock Co., dba Pavex Construction, in the amount of $3,603,983.50.

Mr. Ivar Satero, Deputy Director, Design and Construction said this item awards Contract 8598 to Granite Rock and provides for apron and taxilane reconstruction

in the vicinity of Boarding Areas C & E, as well as extension of the concrete apron of Boarding Area E, and other related work. Four bids were received in response to the August 15, 2011 bid call. Staff determined that the apparent low bidder was Granite Rock at $3.6 million, including all alternates, and is within the $4.5 million engineer estimate. Granite is determined to be responsive to the bid requirements and is therefore eligible for award. The project is federally compliant and eligible for 75% funding from AIP. Although there are no DBE goals, staff will work with the Airport's Small Business Affairs office to develop a small business program.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Authorize Request for Proposal for a Comprehensive Analysis of the Shared-Ride Industry

No. 11-0196 — Resolution authorizing a Request for Proposal for a consultant to conduct a comprehensive analysis of the shared-ride industry at San Francisco Airport and to enter into negotiations with the highest-ranked proposer.

Mr. Tryg McCoy, Deputy Director, Operations & Security said that this item seeks approval to issue an RFP for a consultant to conduct a comprehensive analysis of the shared-ride Industry at SFO and to enter into negotiations with the highest ranked proposer. We believe that it's time to take a fresh look at the industry at SFO. For 16 years we've had 11 operators ranging from small locally based companies with 4 or 5 vans to large national corporations with 120 vans.

We've had 3 separate zones in Domestic Terminals 1 and 3 for years and a single contiguous zone in the International Terminal and Terminal 2. We tried contiguous zones where all operators share one location, and later this month we're going back to separate zones. Twice before we tried to solicit a new RFP for a different mix of operators and each time encountered push back from the industry. In 1998 and again in 2001, a consultant studied the problem and made recommendations, yet neither report resulted in a successful rebid of the shared ride permits. We've spent an inordinate amount of time in the past 10 years with the owners of the shared ride industry. We've had meetings and responded to an untold number of phone calls, emails, and letters from the industry. Yet, we still find ourselves in an unresolved situation. Neither most of the operators nor the Airport is satisfied with the current situation. The bottom line is not all of the 11 operators are profitable and many are struggling to meet the Clean Vehicle Policy, which is now at 50%. We believe the answer is to hire a qualified consultant to make recommendations on how the industry should look in the future. We will ask the successful bidder to conduct a comprehensive analysis of our existing system to uncover policy gaps and outline improvements for fact-based decision making. The consultant will interview client stakeholders and their customers, conduct an in-depth study to determine the suitability of the existing program and examine the pros and the cons, study best practices from comparable sized U.S. airports, and recommend the optimal number and size of the shared ride van companies at SFO.

This consultant will create a complete policy framework designed to support SFO initiatives including compliance, traveler satisfaction, and choices for the traveling public. The information will allow staff to form a strategic policy to improve the shared ride industry and offer a consistently high level of service to customers that use the service. RFPs will be sent to firms qualified to perform transportation studies and surveys, including local certified LBE firms. The contract will have a 50% LBE participation goal. Staff will negotiate with the highest ranked proposer and return to the Commission with a recommendation to award the contract.

Commissioner Johns said this is a thorny issue. I have no problem with hiring a consultant, but you're going to have to look long and hard to find one that can deal with the issues we know are out there ... the political aspects and labor issues the President of our Commission pointed out when this came to us not long ago. They haven't gone away. There is the issue of investment in clean vehicles. We want great customer service and a system that works for everyone. This consultant will have to take these issues head on and find a fresh approach. It'll take more than the average consultant who doesn't have hands on ability and awareness of what the issues are below the surface. I will vote for it, but I have those concerns.

Mr. McCoy agreed. We know that the consultant that does this review has to be believable to us and to the industry; it has to be someone who's done this before, is familiar with what goes on in the nation. We need to spend a long and careful time thinking about and deciding who the successful bidder is.

Just to follow up on your comment regarding Commissioner Mazzola's and the Commission's concern about the drivers and whether or not they are employees.

Commissioner Johns ... independent contractors or employees.

Mr. McCoy said that there is a lawsuit that's still going on in Sacramento. We believe that the timing on this report, probably about six months from now, will hopefully coincide with the timing on this decision in Sacramento. We want to make a decision that's based on current interpretation of the law ... whether or not drivers are employees ... but you are absolutely right, this is critical issue.

Commissioner Johns asked if $180,000 will be enough to get somebody to really work through these issues and work with the drivers and the companies.

Mr. McCoy believed so. If not, he will return for additional money at the time of award.

Commissioner Mazzola said that Commissioner Johns is right on target. We should form our questions to include everything we can think of to address our problems. Either way that lawsuit comes out ... whether they're independent contractors or employees ... we should ask the consultant to look at the San Francisco Ordinance and companies doing business with San Francisco. If they are doing business with San Francisco, they need to adhere to the ordinance.

Commissioner Guggenhime said that the small drivers have always contended that big is better and therefore they get hurt. The consultant needs to meet with

everyone, needs to have other airport van experience ... whether its an airport, a train station, or whatever. This is a hands on job. Whether people agree with the decision is not as important as the fact that everyone thinks they had input.

Mr. McCoy agreed.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Request for Proposals for the Parking Management Professional Services Agreement

No. 11-0197 Resolution approving the proposed business terms, minimum qualifications and evaluation criteria and authorization to issue a RFP for the management and operation of the Airport's public and employee parking facilities.

Mr. Leo Fermin, Deputy Directory, Business and Finance said the Parking Management contract covers both public and employee parking at the Airport, and the current contract will expire on June 30, 2012. This item approves beginning the competitive selection process with the issuance of the RFP. After the pre-proposal conference is held and proposals are received and evaluated, we will return to you for approval to begin contract negotiations. The business terms are basically the same with, one exception, the current contract has a three year term with two one-year options for a total of 5 years. For this contract we recommend that the initial term be for six years with one-three year option at the Commission's discretion for a total of 9 years. The pre-proposal conference is scheduled for October 11th, proposals will be due on November 1st and we will return to you in December to seek your approval to negotiate with the highest ranked proposer.

Commissioner Johns recalled another employee lot that was handled separately.

Mr. Fermin replied that about 10 years ago we had two separate contracts, one for the employee parking lots, and for one for the public parking lots but the two contracts were subsequently combined under this current contract.

Mr. John Martin, Airport Director said there's a sub for the management of the employee parking lot.

Mr. Fermin said the contract is with New South Parking which is a joint venture between Central Parking and Global Parking Systems.

Commissioner Johns said that she had another question on page 2, the utilization of the Airport's Parking Access and Revenue Control system ... haven't we been working on an upgrade, and is all of the software and hardware in place.

Mr. Fermin replied yes. We previously installed a new system about four or five years ago and we're in the process of upgrading the system. We're also in the

process of adding to the system to accommodate a new public parking area in Lot D, which will be the overflow for the long term parking facilities.

Two items came up recently. One augmented the existing system for the overflow lot at Lot D, and the second was upgraded software systems for the servers for the Parking Revenue Control System.

Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Authorize Request for Proposal for Airport Commission Employee Bike-Sharing System

No. 11-0198 — Resolution authorizing a Request for Proposal for a vendor to procure, install, and maintain a bicycle-sharing system at San Francisco Airport for Airport Commission employee use, and negotiate a contract with the highest ranked proposer.

Mr. McCoy said that this item authorizes staff to issue a Request for Proposal for a vendor to procure, install, and maintain a bicycle-sharing program at SFO for Airport Commission employee use, and to negotiate a contract with the highest ranked proposer. The idea to promote and provide a bicycle sharing program originated in our Reaching for Number 1 initiatives. A committee suggested that if we had a bicycle sharing program employees could move from various remote work sites pollution free, and at the same time improve their overall personal health. Employees work at six different locations in addition to the passenger terminals ... the Ground Transportation Unit, Business Center, H.R. building, the Maintenance Building, the Water Treatment Plant, and the airfield safety building.

RFPs will be sent to companies operating a shared use bicycle program. Unlike traditional bicycle ownership, the proposal is for a bicycle sharing system owned by the Airport and available for use by Airport Commission employee. Bikes can be reserved and checked out from one station and deposited in another. The bicycles may contain a GPS and a calorie counting system. The initial system will be for 30 bicycles and six docking stations. The Airport will seek proposals from qualified vendors to procure, install, and maintain a bicycle-sharing program that meets the Airport's specifications. The RFP will include details on proposed management fees, bicycle docking plans, software requirements, and bicycle re-balancing capabilities between locations. Staff will negotiate an agreement with the highest ranked proposer and return to this Commission for award.

Commissioner Mazzola asked if other airports provide this.

Mr. McCoy replied that some software companies and high tech areas on the Peninsula have such programs available to commute and to move between different locations on a campus.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Action Items. All matters listed under the Consent Calendar are considered to be routine in nature and will be considered and acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be discussed before a vote is taken.

The Consent Calendar, Item Nos. 5 through 14, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Award Professional Services Agreement, Contract No. 9078.9 - Construction Management Services for New Data Center Facility - FE Jordan/Hill International Joint Venture - $534,000

No. 11-0199 — Resolution awarding Professional Service Agreement Contract No. 9078.9, Construction Management Services for New Data Center Facility, to FE Jordan/Hill International J.V., in an amount not to exceed $534,000.

Commissioner Johns asked if this is for the New Data Center facility for the City. Who's paying the $7.7 million? Is it an Airport item, or is it City-wide?

Ms. Theresa Lee, Deputy Director, Administration said this item arose from the City's desire to consolidate and achieve savings. The Committee on Information Technology approved building a new data center to house all dispersed servers. Our Data Center was identified as an appropriate location. The Airport will front construction costs and be reimbursed on an annual basis by City departments. Our budget office is discussing how those reimbursements will be made.

Commissioner Johns asked if the entire facility will be housed at the Airport.

Ms. Lee replied that a significant number of City data centers or servers will be housed at SFO, but not all. The Department of Public Health, which currently has about 1,500 servers, will be the primary occupant there. The Department of Technology is still identifying which ones would be appropriate for us.

Commissioner Johns asked if the Data Center is somewhere downtown.

Ms. Lee replied that it's on Paul St. It's a third party data center that provides services to the City. The City is looking at downsizing their cost there.

6. Request for Qualifications and Request for Proposals for Design-Build Construction Contract No. 9024A International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project

No. 11-0200 — Resolution authorizing issuance of RFQ/P for Design-Build Construction Contract No. 9024A, International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage

Handling System Improvements Project.

7. Authorization to Reject Proposals Received in Response to the Request for Proposals for Communications Services and Reissue a New RFP for Contract 9097R for Communications Services

No. 11-0201 — Resolution rejecting proposals received in response to the request for proposals for Communications Services and reissue a new request for proposals for Contract 9097R for Communications Services and to negotiate with the highest ranked proposer.

Commissioner Johns asked about the original communication services.

Ms. Kandace Bender, Deputy Director, Communications & Marketing said that this is a new contract that will primarily focus on new technologies and how we incorporate that into the Airport with other things that we're doing here. We decided to rewrite the scope of work to include support for some of the other projects that are ongoing at the Airport. So we're starting over with a new RFP.

8. Modification No. 5 to the Marketing Services Contract with the M-Line - $200,000

No. 11-0202 — Resolution approving Modification No. 5 to Marketing Services Contract with the M-Line, an LBE firm, to retain and develop airline service and support revenue-generating SFO divisions, in the amount of $200,000 for a new total contract amount not to exceed $5.457 million and extend the contract term from September 15, 2011 through March 14, 2012.

Commissioner Johns asked if this is just an extension to the contract.

Ms. Bender replied that we are extending it on an as-needed basis because we are going out to bid with a new Communications contract. Our website is hosted through the M-Line and we want to make sure we're covered in that period. We are in the final stages of evaluating proposals for a Marketing Services contract.

9. Authorization to Accept and Expend Transportation Security Administration Funding for the K-9 Explosives Detection Team Program - $461,178

No. 11-0194 — Resolution authorizing acceptance and expenditure of TSA funding of $461,178 for the K-9 Explosives Detection Team Program.

10. Bid Call - Contract No. 9089 - International Terminal Building - U.S. Customs & Employment and Community Partnerships Renovations

No. 11-0203 Resolution approving scope, budget, and schedule for Contract 9089, International Terminal Building - U.S. Customs & Employment and Community Partnerships Renovations, and authorizing the Director to call for bids when ready.

11. Bid Call - Contract No. 9126 - International Terminal Arrival Level Seismic Joint Cover Replacement

No. 11-0204 Resolution approving the scope, budget, and schedule for Contract 9126, International Terminal Arrival Level Seismic Joint Cover Replacement, and authorizing the Director to call for bids when ready.

Commissioner Johns noted that we are changing from brass to stainless and asked if we're sure that stainless is going to work since the brass is relatively new.

Mr. Satero replied that stainless is a much better product for this use. We tried to stress relieve the plates by drilling holes in them and trying other remedial things to make it work, but brass was just not the right specified product. Brass is very brittle, while stainless has much better flexural properties.

Commissioner Johns asked if this is on the road itself.

Mr. Satero replied that when you come out of the International Terminal on the arrivals level, you step right across this joint when you get onto the sidewalk. It's between the building itself and the sidewalk, right when you come out the doors.

12. Request for Proposal for Maintenance of the Airport's Water Perimeter Security Buoy System

No. 11-0205 Resolution authorizing Airport staff to issue a request for proposal for maintenance service for the Airport's Water Perimeter Security Buoy System and to enter into negotiations with the top ranked proposer.

13. Bid Call - Contract No. 9040 - Hydrogen Fueling Station

No. 11-0206 Resolution approving the scope, budget, and schedule for Contract No. 9040, Hydrogen Fueling Station South McDonnell Road, and authorizing the Director to call for bids when ready.

14. Authorization to Issue a Request for Proposals for Contract 9129 for As-Needed Executive Search Firms

No. 11-0207 Resolution authorizing issuance of a Request for Proposals from the City's pre-qualified pool for Contract 9129, As-Needed Executive Search Firms, for hard-to-fill executive and Airport specialized positions and authorize staff to conduct negotiations with the highest-ranked proposers.

* * *

G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The Airport Commission did not go into Closed Session.

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**September 20, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT DOCUMENTS DEPT
OCT - 6 20
SAN FRANCISCO PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 3 |
| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES: | | |
| | | Regular meeting of September 6, 2011 | 11-0208 | 3 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 3 |
| E. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 1. | Extension/Confirmation of Approximately $1.7 Billion of Previously Approved Bond Sale Authorization | 11-0209 | 3-4 |
| | 2. | Award Three Retail Concession Leases: | | 4-6 |
| | | T-3 News & Specialty Store Lease - Hudson Group | 11-0210 | |
| | | T-3 Boarding Area F Newsstand Lease - Paradies | 11-0211 | |
| | | T-3 Boarding Area F Athletic Apparel & Accessories Store Lease - Genesco | 11-0212 | |
| F. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 3. | Modification No. 1 to Professional Services Contract - Bond Logistix, LLC to Fund Second Year of Arbitrage Rebate & Investment Advisory Services Contract | 11-0213 | 6 |
| | 4. | Award Contract 8791 - Professional Engineering Services - Pavement Consultant - Nichols Consulting Engineers, Chtd. | 11-0214 | 6 |
| | 5. | Negotiate Ground Lease with Trillium USA for Compressed Natural Gas (CNG) Fueling Facility | 11-0215 | 6 |
| | 6. | Modification No. 3 to Contract 8408R - Public Information Displays Upgrade - Liberty Electric | 11-0216 | 6 |
| | 7. | Amendment No. 2 to International Terminal Bookstore/ Café Lease No. 99-0273 - Advent Intn'l Corp. | 11-0217 | 7 |
| G. | | NEW BUSINESS: | | 7 |
| H. | | CORRESPONDENCE: | | 7 |
| I. | | CLOSED SESSION: | | 7 |
| J. | | ADJOURNMENT: | | 7 |

AIRPORT COMMISSION MEETING MINUTES
September 20, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Peter A. Stern |
| Absent: | Hon Linda S. Crayton, Vice President<br>Hon. Richard J. Guggenhime |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 6, 2011 were adopted unanimously.

No. 11-0208

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Stern and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Extension and Confirmation of Approximately $1.7 Billion of Previously Approved Bond Sale Authorization

No. 11-0209 — Resolution extending and confirming prior bond sale authorizations until previously approved $1.7 Billion in refunding bonds are issued.

Ms. Cindy Nichol, Associate Deputy Director, Business and Finance said that SFO has $1.7 billion in remaining but not yet issued refunding bond authorizations from prior Commission approval. This item is not a request for additional dollar authorizations, rather it rescinds expiration dates from prior approvals that were either varied and are not clearly stated and it provides authorization to remain in

effect until the $1.7 billion in refunding bonds can be issued. This authorization will allow us to continue to issue refunding bonds for debt service savings. At current refunding rates we expect that to last about 2 years. In the last 12 months we've issued $855 million in refunding bonds for a present value savings of $32 million. If the market goes even lower, we may be able to issue those refunding bonds faster. This authorization does not require Board of Supervisors approval. They approved authorizations for bond sales in Nov. 2008 and Feb. 2011.

Item No. 2 was moved by Commissioner Stern and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Award Three Retail Concession Leases: Terminal 3 News & Specialty Store Lease to Hudson Group; Terminal 3 Boarding Area F Newsstand Lease to Paradies SFO; Terminal 3 Boarding Area F Athletic Apparel & Accessories Store Lease to Genesco

| | |
|---|---|
| | Resolution approving three retail concession leases: |
| No. 11-0210 | Terminal 3 News & Specialty Store Lease to the Hudson Group; |
| No. 11-0211 | Terminal 3 Boarding Area F Newsstand Lease to Paradies SFO; and, |
| No. 11-0212 | Terminal 3 Boarding Area F Athletic Apparel & Accessories Store Lease to Genesco and directing the Commission Secretary to seek Board of Supervisors approval for above mentioned leases. |

Ms. Cheryl Nashir, Associate Deputy Director, Business and Finance presented the results of the proposal for peer evaluation process for the Phase I Retail Concession Development Leases and to recommend 3 of the 4 retail leases that were envisioned under that effort. The fourth lease will return at a later date. Request for proposals were issued in March 2011 and 14 proposals were received on June 29th in response to 3 of the RFPs. A three member evaluation panel was seated to review, score and develop a recommendation for award. They consisted of colleagues of ours from the finance area, design and business backgrounds, all very knowledgeable of SFO. The evaluation panel deliberated and scored based on the published evaluation criteria. No proposals were received for one of the leases ... Terminal 3 and International Terminal News and Specialty Store Lease. We will return in October to recommend reissuing. After talking with potential proposers we discovered that the issue was the capital investment required in the International Terminal due to the expanded footprint on one of the stores. We will reissue with the original footprint.

The 3 leases recommended for award are Terminal 3 News & Specialty Store Lease, or Package One. This includes 2 newsstands and a specialty store. We received 6 proposals with Hudson Group (HG) Retail, LLC recommended for award. The Hudson Group operates over 700 stores across the country in 70 airports, including 4 at SFO. They partnered with S.F. Magazine for branding one of the locations and they have also partnered with Fickle Bag, a concept over in the North Oakland-Berkeley area to license for one of the specialty locations.

The second package, Package Five, was for Terminal 3, Boarding Area F Newsstand. This is a single location lease for which we received 7 proposals. Paradies SFO LLC is recommended for award. Paradies, a large national company, has well over 500 stores in 75 airports across the country, including SFO. They formed a joint venture with JR Lester and Associates, an Oakland based business with stores at San Jose Airport, Oakland Airport, and downtown

San Francisco. JR Lester and Associates will be a 20% owner of this lease.

Finally, Package Six, Boarding Area F Apparel and Accessory Store Lease. This is also a single location lease and 1 proposal was received. We attribute that to narrowing the concept to sports apparel. Genesco, Inc. is recommended for award. They are the parent company of the Lids Sports Group. Lids stores are in malls across the country. Bay Area Clubhouse has been created for SFO and it will feature sporting apparel from our local teams.

Prior to solicitation for proposals we conducted quite a bit of outreach, including a meet and greet session where we invited the industry in to talk about the leases we had coming up and allow local operators to meet some of the national operators so when it came to the newsstand leases, perhaps partnerships could be formed. Additionally, we advertise in many different local newspapers, ethnic and community based newspapers.

The term for each lease is 7 years, and the rent is the greater of the minimum annual guarantee, or percentage rent. These 3 leases, which include 5 spaces that are brand new to the Airport and came from space we got back from the airlines, represent an increase in rent to the Airport of about $348,000. That's guaranteed rent if tenants aren't really successful; percentage rent would be more. No protests were received.

Commissioner Johns noted that while we received 14 proposals, we did not have 14 bidders. Many proposers bid on more than one package. Inspite of the outreach we seem to receive fewer bids on retail than on food and beverage.

Ms. Nashir agreed. We like local ownership and we make that well known. It's much easier for us to lease the food and beverage program locally. The first dollars spent at the Airport are on food and beverage, then newsstands, and last is specialty. That's where we see the lowest growth and that's where we are the most challenged to bring in new local businesses. When we put newsstand leases out, because they are a travel related business and really only live in airports and hotels, we're not able to find many local providers.

Mr. John Martin, Airport Director said that this is a great improvement in the number of proposers submitting for retail leases. Ten years ago we often received two or three proposals. We never saw proposals from Hudson or Paradies. We've made great progress.

Ms. Nashir said that we received proposals from 3 new entities we hadn't done business with before, and while encouraging, they weren't local. Our next phase of retail leasing will be focused on specialty stores. We're thinking of doing at

least two small business set asides and that should greatly increase our chance of bringing in local flavor and enhancing the personality of the program.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 3 through 7, was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Modification No. 1 to Professional Services Contract with Bond Logistix, LLC to Fund the Second Year of the Arbitrage Rebate and Investment Advisory Services Contract - $50,000

   No. 11-0213 — Resolution approving Modification No. 1 to the Bond Logistix, LLC contract for the Airport's Arbitrage Rebate and Investment Advisory Contract 9010 in the amount of $50,000 for a new total contract amount not to exceed $400,000. This modification funds the second year of services in connection with the Airport's Bond Financing program.

4. Award of Contract No. 8791 - Professional Engineering Services - Pavement Consultant - Nichols Consulting Engineers, Chtd. - $580,000

   No. 11-0214 — Resolution awarding Contract No. 8791, Professional Engineering Services - Pavement Consultant to the highest ranked proposer, Nichols Consulting Engineers, Chtd., in the amount of $580,000.

5. Authorize Staff to Negotiate a Ground Lease with Trillium USA for a Compressed Natural Gas (CNG) Fueling Facility

   No. 11-0215 — Resolution authorizing staff to negotiate a ground lease with Trillium USA for the improvement and ongoing operation of a public access CNG fueling facility on South McDonnell Road.

6. Modification No. 3 to Contract 8408R - Public Information Displays Upgrade Liberty Electric of San Mateo, Inc. - $120,000

   No. 11-0216 — Resolution approving Modification No. 3 to Contract No. 8408R, Public Information Displays Upgrade with Liberty Electric of San Mateo, Inc. in an amount not to exceed $120,000, and extending the contract duration for 210 calendar days to complete additional scope and previously awarded scope under Modification No. 1.

7. Amendment No. 2 to International Terminal Bookstore/Café Lease No. 99-0273 - Advent International Corporation

No. 11-0217 Resolution approving Amendment No. 2 to the International Terminal Bookstore/Café Lease No. 99-0273 with Advent International Corporation to continue holdover to December 12, 2012.

* * *

G. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

H. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

I. CLOSED SESSION:
The Airport Commission did not go into closed session.

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**October 4, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT

OCT 26 2011

SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of September 20, 2011 | 11-0218 | 4 |
| D. | | DIRECTOR'S REPORTS: | | |
| | 1. | Airport Concessions Performance - FY 2010/2011 | | 4-5 |
| E. | | ITEMS INITIATED BT COMMISSIONERS: | | 5 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Award Contract 8595A - Storm Drainage System Improvement - Phase 1 - Schembri Construction | 11-0219 | 5-6 |
| | 3. | Award Contract 8924B - Development of SFO Sustainability Plan - Vanasse Hangen Brustlin, Inc. | 11-0220 | 6-7 |
| | 4. | Modification No. 1 to PSA, Contract 9024.9 - CM Services - I.T. and B/A F Checked Baggage Inspection System (BHS) Modernization Program; I.T. BHS Improvements | 11-0221 | 7-8 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 5. | Award Contract 9108 - Noise Insulation Admin. & Professional Services - C. Kell-Smith & Assoc. | 11-0222 | 8 |
| | 6. | Amend RFQ/P - Contract 9024A - I.T. and B/A F Checked Baggage Inspection System (BHS) Modernization Program; I.T. BHS Improvements Project | 11-0223 | 8 |
| | 7. | Modification No. 4 to Contract 8764 - Airport-Wide Construction Tasks - Contract Time Extension Only - Proven Management, Inc. | 11-0224 | 9 |
| | 8. | Begin RFP Process - Phase II Retail Concession Leases: I.T. and Terminal 3 News, Books, Convenience & Café Lease; B/A F Travel Products/ Gadgets Store Lease; B/A F Jewelry/Watch Store Lease; Terminal 3 Bath & Beauty Store Lease | 11-0225 | 9 |
| H. | | NEW BUSINESS: | | 9 |

| | | |
|---|---|---|
| I. | CORRESPONDENCE: | 9 |
| J. | CLOSED SESSION:<br>Anticipated Litigation | 9-10 |
| K. | ADJOURNMENT: | 10 |

AIRPORT COMMISSION MEETING MINUTES
October 4, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 4, 2011 were adopted unanimously.

No. 11-0218

* * *

D. DIRECTOR'S REPORT:

1. Report on Airport Concessions Performance - Fiscal Year 2010/2011

Report on the performance of Airport Concessions during FY 2010/2011.

Mr. Leo Fermin, Deputy Director Business and Finance reported that in this past fiscal year our Concessions program performed very well and consequently, the annual service payment to the City this year is the highest ever at $30.1 million. Sales per enplanement is an industry metric used to measure concession performance. Our average sales per enplanement in calendar year 2010 was $11.65, the third highest in the country. However this past June, our average rose to $12.00, primarily due to Terminal 2. Since Terminal 2 opened in April sales per enplanement in Terminal 2 alone has been ranging between $13.39 to $14.40. In absolute dollars, total gross sales increased 13.1% to $715 million. The biggest increase was in Duty Free where gross sales increased 31% to $78.8 million. Total rents paid to the Airport increased 5% to $90.9 million.

This past year we made conscious efforts to improve the program by emphasizing local concepts, thinking carefully about merchandise adjacencies and looking

carefully at passenger flow. We've been doing our leasing and packages in a more holistic approach through how we mix and match concepts and offerings. With this approach we opened 31 new food, beverage, retail, and service facilities, 22 of which were in Terminal 2. We have nine new facilities scheduled to open over the next eight months (Attachment C) and 16 new RFPs to launch this year.

Commissioner Guggenhime asked why Duty free doesn't have a rent overage. In 09/10 and 10/11 rent paid was $26,400,000. Even though their revenues went up from $60,000,000 to $78,000,000 their rent paid to the Airport stayed constant.

Mr. Fermin replied that they are still at their minimum annual guarantee. They need to get over the minimum annual guarantee before the percentage kicks in. They need a few more million dollars in annual revenue to go over the minimum.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Johns and Commissioner Guggenhime . The vote to approve was unanimous.

2. Award Contract 8595A - Storm Drainage System Improvement - Phase 1 - Schembri Construction - $1,753,216

No. 11-0219 — Resolution awarding Contract No. 8595A, Storm Drainage System Improvement-Phase 1, to Schembri Construction, in the amount of $1,753,216.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this contract provides for storm water and waste water system improvements to ensure the continued and proper operation of the systems. Most notably, the contract provides for an emergency generator installation at the Millbrae Pump Station at a small plot adjacent to the existing pump station where we will locate this new emergency generator ... we will capture this plot from the West of Bayshore and, as the Commission is aware, that area has significant habitat sensitivity and construction can only occur two months out of the year, mid August to mid October. As the contract requires three to four months of construction, the contract duration is two years in order to complete the work. Five bids were received in response to the September 13 bid call. Staff determined the apparent low bidder to be Schembri Construction with a bid, including alternates, of $1,753,216. Schembri committed to achieving 26.8% LBE participation in comparison to the goal of 13%.

Commissioner Mazzola noted that one firm wanted to withdraw their bid.

Mr. Satero replied that they made an error and asked for relief. The words take precedence over the numbers, and an error was made in the numbers. We allowed them to withdraw their bid and we made a statement in the memo about it.

Item No. 3 was moved by Commissioner Guggenhime and Commissioner Mazzola. The vote to approve was unanimous.

3. Award of Contract No. 8924B - Development of SFO Sustainability Plan - Vanasse Hangen Brustlin, Inc. - $1,424,616.50

No. 11-0220 — Resolution awarding Contract 8924B, Development of SFO Sustainability Plan to Vanasse Hangen Brustlin, Inc. in the amount of $1,424,616.50, and authorizing Phase 1 Services in an amount not to exceed $661,653.

Mr. Satero said that this item is for the development of SFO's Sustainability Plan which will provide policies and procedures for the sustainable redevelopment, maintenance and operation of SFO across all aspects of the business enterprise. A detailed RFP was prepared for these services and issued to the pre-approved environmental services pool list, consisting of VHB, WSP, and CH2M Hill. On May 2nd proposals were received from all three firms. A selection panel was convened to review and score the proposals. Based on their review, VHB is determined to be the highest ranked firm, with a total score of 618.

We successfully negotiated with VHB the scope of services for the twelve plan elements. We negotiated billing rates and a total budget to complete the plan which is in the not-to-exceed amount of $1.424 million. Services are reimbursed on a time and materials basis up to this amount. We are proposing award of the entire amount however, we will only issue a Notice to Proceed for the Phase I scope of services ... basically the first year of services. We will return to the Commission to authorize NTP for Phases 2 and 3 after the work is complete and we are satisfied with the product. So, the initial amount is for $661,653. The pool list is set to expire. We have a good set of firms on this pool list. VHB has put together a very good proposal for this scope of services. We are proposing this award so we can proceed with this work and not have to go through a resolicitation for the services.

VHB has committed to achieving a 5.3% LBE participation versus the 3% goal.

Commissioner Johns asked if the $1.4 million plus covers a 3 year period.

Mr. Satero replied that it does.

Commissioner Johns asked if it is possible that the plan could recommend that we redo something in Terminal 2.

Mr. Satero said that achieving LEED Gold in Terminal 2 provided opportunities to

leverage off of all the sustainable things SFO is doing. This document will take all of the best practices from Terminal 2 and document them along with other industry best practices. It won't require us to redo something in T2; it will say that T2 is a standard going forward. It won't be ready in time for Boarding Area E, so we will use T2 as the standard that we carry forward from a sustainability standpoint.

Commissioner Johns asked if those plans are in the works.

Mr. Satero replied that we just received proposals on the design-build contracts. There is a five-six-month design process before construction begins, but this work will not be completed in time for that.

Commissioner Johns was curious how they will go about this work. It's a great idea but I would hate for them to come back and tell us we have to redo something.

Mr. Satero said that Boarding Area E will also be a LEED gold project.

Item No. 4 was moved by Commissioner Johns and Commissioner Stern. The vote to approve was unanimous.

4. Modification No. 1 to Professional Services Agreement, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements

No. 11-0221 — Resolution approving Modification No. 1 to Professional Services Agreement for Contract 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization program, and the International Terminal Baggage Handling System Improvements to CAGE Inc. in an amount not to exceed $4,823,109.

Mr. Satero said that this contract provides CM support services to the major program elements of the modernization program funded by the TSA and the Airport's improvements to the International Terminal conveyance systems. It is intended that following successful completion of the program both the International Terminal Baggage Handling System (BHS) and the Terminal 3 BHS will achieve TSA certification. As presented in the initial contract award, pending the execution of a construction OTA, which was approved in August of this year, we would return to award these future tasks that support construction implementation ... so Tasks 2 and 3 are related to construction of those major plan elements. This modification provides for staff support and oversight of this integrated program which requires that the work proceed concurrently to both be efficient in the construction of the improvements, as well as to minimize operational impact to the Airport and airlines. Staff also developed Task 4 which will provide for a transfer belt required for the flexibility needed in directing checked baggage from Terminal 3 check-in positions to the aircraft positions at both Boarding Areas E and F. Task 4 will provide CM

oversight for that additional task. It is also part of that integrated construction so it needs to be a part of the overall program and that's why it's included here.

Per the OTA, the TSA will reimburse 90% of the cost and the Airport will pay 10%. The Airport will pay 100% of the International Terminal conveyance system cost. When you look at the $5.4 million budget for CM services, the Airport's share is $2 million and the amount out of the OTA is $3.4 million. Since this contract contains Federal funding there are no HRC LBE goals, however, through best efforts, CAGE committed to achieving 5.8% SDB/DBE participation.

Commissioner Johns noted that Item 6 on the Consent Calendar has to do with a similar issue. How does that relate?

Mr. Satero replied that it's the same ... it's part of the overall program and the amendment is this addition of the transfer conveyance bag belt, so it's the design-build construction program. This is the CM services oversight. This is Task 4 in the CM contract. The Consent Calendar adds Task 4, Construction scope of work.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 8, was moved by Commissioner Johns and Commissioner Guggenhime. The vote to approve was unanimous.

5. Award of Contract No. 9108 - Various Noise Insulation Administrative and Professional Services - C. Kell-Smith & Associates - $750,000

| | |
|---|---|
| No. 11-0222 | Resolution awarding Contract 9108 to C. Kell-Smith & Associates for Various Noise Insulation Administrative and Professional Services in an amount not-to-exceed $750,000, 80% of which will be funded by the FAA. |

6. Amend the Request for Qualifications/Proposal for Contract 9024A, - International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project

| | |
|---|---|
| No. 11-0223 | Resolution amending the RFQ/P for Contract 9024A, International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and International Terminal Baggage Handling System Improvements Project to include Boarding Area E and F Baggage Transfer Conveyors. |

7. Modification No. 4 to Contract No. 8764 - Airport Wide Construction Tasks for a Contract Time Extension Only - Proven Management, Inc.

No. 11-0224 — Resolution modifying Contract No. 8764, Airport Wide Construction Tasks, with Proven Management, Inc., to extend the contract for 270 calendar days to complete in-progress tasks within the current authorized contract amount of $823,617.80.

8. Commence Request for Proposal Process for Phase II Retail Concession Leases including: International Terminal and Terminal 3 News, Books, Convenience and Café Lease; Boarding Area F Travel Products/Gadgets Store Lease; Boarding Area F Jewelry/Watch Store Lease; and Terminal 3 Bath & Beauty Store Lease

No. 11-0225 — Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue requests for proposals F and conduct informational conferences for four (4) retail concession leases.

* * *

H. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:
Discussion and vote pursuant to the Brown Act (California Government Code 54954.3) and the Sunshine Ordinance (San Francisco Administrative Code 67.10) on whether to conduct a closed session to confer with legal counsel. Action item.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:20 AM and the closed session began.

CONFERENCE WITH LEGAL COUNSEL regarding anticipated litigation (Government Code 54956.9(b), Administrative Code 67.8(a)(3): Action item. City and County of San Francisco as plaintiff. Unspecified to protect settlement posture.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (Government Code 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (Administrative Code 67.11).

Discussion and vote pursuant to the Brown Act (Government Code 54957.1(a)(2) and the Sunshine Ordinance (San Francisco Administrative Code 67.12(b)(2) on possible report on action taken in closed session. Action item.

Discussion and vote pursuant to the Sunshine Ordinance (San Francisco Administrative Code 67.12(a) on whether to disclose any or all discussions held in closed session. Acton item.

The Commission reconvened its public session at 9:45 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**October 25, 2011**
**Special Meeting**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT
NOV 16 2011
SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES: Regular meeting of October 4, 2011 | 11-0227 | 4 |
| D. | | SPECIAL ITEM: | | |
| | 1. | Retirement Resolution -George Suter | 11-0228 | 4-5 |
| | 2. | Retirement Resolution - Ronald K. Wong | 11-0229 | 5 |
| | 3. | Commendation - Jim Ilnicki | 11-0230 | 5 |
| E. | | ITEMS INITIATED BY COMMISSIONERS: | | 5 |
| F. | | POLICY: | | |
| | 4. | Cargo Facility Rate-Setting Policy | 11-0231 | 6 |
| G. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 5. | Award Contract 8974B - Terminal 3, B/A E Improvements Project - Hensel Phelps | 11-0232 | 7-8 |
| | 6. | Award Contract 9088 - Operation, Maintenance & Administration of SFO Medical Clinic - Catholic Healthcare West dba St. Mary's Medical Center | 11-0233 | 8 |
| | 7. | Modification No. 1 to Professional Services Contract 8891 - Airport & Aviation Professionals, Inc. | 11-0234 | 9 |
| | 8. | Award Terminal 3, B/A F Hub Food and Beverage Kiosk Lease - Life is Good, LLC, dba Fraich Yogurt | 11-0235 | 9-10 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 9. | Award Contract 9112R - Customer Surveying and Service Benchmarking Associated with Aviation Service Quality Program - Airports Council Intn'l | 11-0236 | 10 |
| | 10. | Bid Call - Contract 3590C - Runway Safety Area South Field Drainage Improvement | 11-0237 | 10 |
| | 11. | BOS Waiver Request and Modified Indemnification Clause to Contract 8672A - Runway Safety Area Engineered Material Arresting System Design | 11-0238 | 10 |

| | | | | |
|---|---|---|---|---|
| | 12. | 2011 Lease and Use Agreement with WestJet | 11-0239 | 10 |
| | 13. | Commence RFP Process for B/AC Food and Beverage Kiosk Lease | 11-0240 | 10-11 |
| | 14. | Commence RFP Process for B/A F Wine Bar Lease | 11-0241 | 11 |
| | 15. | Approve Changes to Terms & Authorization to Accept Proposals for Expedited Traveler Service Lease | 11-0242 | 11 |
| | 16. | Modification to Contract Term in Parking Management Request for Proposals | 11-0243 | 11 |
| | 17. | Ratify Settlement of Unlitigated Claims of $10,000 or Less and Litigated Claims of $25,000 or Less | 11-0244 | 11 |
| I. | | NEW BUSINESS | | 11 |
| J. | | CORRESPONDENCE: | | 12 |
| K. | | CLOSED SESSION: | | 12 |
| L. | | ADJOURNMENT: | | 12 |

AIRPORT COMMISSION SPECIAL MEETING MINUTES
October 25, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A Stern

Hon. Linda S. Crayton, Vice President arrived at 9:20 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 4, 2011 were adopted unanimously.

No. 11-0227

* * *

M. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Retirement of Mr. George Suter

N. 11-0228 Resolution thanking Mr. George Suter for 28 years of faithful service with the City and County of San Francisco, 16 of which have been served at the San Francisco International Airport.

Mr. John Martin, Airport Director said that Mr. George Suter is retiring after 28 years of outstanding service and dedication to the City and County of San Francisco, 16 of which have been served at SFO. Before joining SFO George worked in the Mayor's Emergency Office as a Management Assistant and the Department of Public Health as an auditor. George has done an outstanding job heading the Revenue Accounting Group while at SFO. His achievements include the following:

- George was a key player in the implementation of the Property Management and Billing System (PMBS) to replace outdated manual billing and reporting systems.
- he initiated the implementation of a check scanning system to streamline the check deposit procedures.
- he developed effective mentoring relationship with Revenue Accounting staff.
- he successfully recruited new talents into the Revenue Accounting group
- George developed a succession plan a year ahead of his retirement.

George will be missed, especially by his Business & Finance family. We wish him well in his retirement and thank him for his service.

Mr. Suter thanked the Director and Commission for the opportunity to work at the Airport. It was a wonderful experience and he will miss the Airport and its employees.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Retirement Resolution for Mr. Ronald K. Wong

No. 11-0229 — Resolution thanking Mr. Ronald K. Wong of the Design and Construction Division - Engineering for twenty years (20) years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Wong has been with the Design and Construction Division - Engineering for 20 years and has served the Airport faithfully, providing his expertise and wisdom and countless projects at the Airport. We wish Ron well and thank him for his service.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Commendation for Mr. Jim Ilnicki

No. 11-0230 — Resolution commending and thanking Mr. Jim Ilnicki for his service to the Airport.

Mr. Martin thanked Mr. Ilnicki for his years of service and dedication, and was especially appreciative that Jim for his willingness to return to the Airport in his retirement and serve and interim Manager for the Planning Department and ITT in a time of need. Jim's enthusiasm and dedication will be missed. We wish him well in his retirement and thank him for his service.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. POLICY:

Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Cargo Facility Rate-Setting Policy

No. 11-0231 — Resolution establishing a policy setting Cargo Facility Rental Rates through an approach which collectively considers Airport-wide cargo revenues, expenses, and investments.

Mr. Leo Fermin, Deputy Director for Business and Finance said that in past years, cargo rental rates were established for many different leases at different points in time, based on appraisals, and during soft economic times, rates were negotiated. As a result, we have many different cargo rental rates, set on dissimilar factors. This has caused a situation in which some tenants in similar buildings pay different rental rates. These differences have at times caused tenants to favor staying in some buildings over others. If rates for similar building conditions were consistent, it would make it easier to relocate tenants as needed.

Over time, as leases expire, we would like to gradually transition to rates which are the same for similar categories of buildings. As a starting point in looking at various rate setting scenarios, staff is thinking of perhaps one rate for buildings constructed before 2000, or the older buildings, and a second rate for newer buildings, a second rate for middle-aged buildings, and a third rate for really old buildings.

Our general approach will be to look at the cargo building sector of the Airport in its totality, where we look at what the total revenues would have to be in order to increase our cargo segment bottom line over time, given the operating and maintenance expenses we incur for cargo, and the capital investments needed. As we do this, we will also factor in the state of the economy, the demand for cargo space, and prevailing market rental rates.

This approach can be compared to how we set Terminal space rental rates. There are five different categories of terminal space, and each category's rental rate is the same regardless of which terminal building you're in. With your approval of this approach, we will present the proposed rates to you as part of next year's Rates and Charges.

* * *

G. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Award Contract No. 8974B - Terminal 3, Boarding Area E Improvements Project - Hensel Phelps Construction Company - $9,567,500

No. 11-0232 Resolution awarding Contract 8974B, Terminal 3, Boarding Area E Improvements Project to Hensel Phelps Construction Company, for Design-Build Services in the initial amount of $9,567,500.

Mr. Ivar Satero, Deputy Director, Design and Construction, said that this contract provides for the resolicitation for design-build services for the Boarding Area E Refurbishment project. Staff has completed the RFQ/RFP design-build process, and with the assistance of the Selection Panel, has determined Hensel Phelps Construction to be the highest ranked proposer.

In July, the Commission authorized the Airport to terminate for convenience contract No. 5974A, and issue an RFP for Contract No. 5974B, Boarding Area E Improvements project, with a redefined scope of work based on the outcome of the Visioning Session held with staff and key stakeholders. This Visioning approach to the Boarding Area E project was deemed necessary in order for the Airport to maintain the standard set in the Terminal 2 Renovation project, providing for an exceptional passenger experience, which translates into excellent financial performance of the food and beverage and retail operators.

In response to the RFP, the Airport received proposals from five firms, all determined to be qualified to provide the required services.

Staff conducted a review of the price proposals, and scored the firms in accordance with the cost calculation contained in the RFP. Staff convened a Selection Panel to review the written proposals, conduct interviews with the firms and key personnel, and score the firms based upon the RFP criteria. Based on the combined score received by Turner for the price proposal and written proposal, Staff determined that turner would not be able to prevail, and thus was not invited to interview. Their low scoring was a result of missing sections in their proposals, due to an administrative error they made in assembling the copies of the proposals.

In accordance with city requirements, the criteria used to evaluate the firms were weighted 65% on cost and 35% on qualifications. The cost component was determined through a calculation of proposed design cost, mobilization cost, general conditions cost, and a mark-up for overhead and profit.

Hensel Phelps was determined to be the highest ranked firm with a score of 670, and thus representing the "best value" to the Airport for design-build services.

The initial award amount of $9,567,500 will fund the design fee, mobilization, general conditions cost and an Airport allowance of $1,065,000 for early activities.

Staff will return to the Commission periodically to award trade bid packages to Hensel Phelps as the design is completed and the packages are competitively bid to a minimum of three prequalified bidders. At each stage of award, Staff will

update the Commission on the schedule and cost forecost, in comparison to the established budget, with recommended mitigations of any cost and schedule issues, as necessary. The total GMP will be known and presented for Commission approval towards the end of bidding of all trade packages.

The HRC LBE subcontracting goal is 14%. Hensel Phelps is committing to achieving this goal. HRC and Airport Staffs will work with Hensel Phelps to establish individual goals on the construction subcontractor trade packages to achieve this overall goal.

Staff will also be working with Hensel Phelps to improve upon the LBE participation goals, and develop a goal for all San Francisco based firm participation, similar to the Terminal 2 program.

Funding will be provided from the Airport's Capital Improvement Program. Project substantial completion is anticipated by October 2013.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Award Contract 9088 - Operation, Management and Administration of the SFO Medical Clinic - Catholic Healthcare West dba St. Mary's Medical Center - $3,564,616

No. 11-0233 — Resolution awarding Professional Services Contract 9088 for Operation, Management and Administration of the SFO Medical Clinic in an amount not-to-exceed $3,564,616 for a period of three years effective July 1, 2012 through June 30, 2015, with three one-year options exercisable at the sole discretion of the Commission.

Ms. Theresa Lee, Deputy Director, Administration, said that in March of this year the Commission approved the issuance of a RFP for the operation and management of the SFO Medical Clinic and for staff to negotiate with the highest ranked proposer.

The RFP was issued on June 9 and a pre-proposal meeting was held on June 21 where four potential proposers attended. Only one qualified proposal was received and that was from the current provider - Catholic Healthcare West dba St. Mary's Medical Center. The negotiated new term is for three years with three one-year options exercisable at the sole discretion of the Commission in the not-to-exceed amount of $3,564,616 to provide clinical, administrative and management staffing to deliver urgent and preventive care, emergency and other related medical services. The new contract will be effective July 1, 2012.

Item No. 7 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Modification No. 1 to Professional Services Contract No. 8891 - Airport & Aviation Professionals, Inc. - $194,000

No. 11-0234 Resolution approving Modification No. 1 to Professional Services Contract No. 8891, for Airline Liaison Office Consultant Services with Airport & Aviation Professionals to increase the FY2011/12 amount by $194,000 from $700,000 to $894,000; increase not-to-exceed $800,000 cap per FY to $900,000; and authorize the carryover of unspent funds in FY 2011/12 to the next FY.

Mr. Fermin said that to meet the requirements of the Lease and use Agreement, and as a practical matter, we consult with the airlines on an ongoing basis on capital projects. We receive input from the airlines on both their technical requirements as well as their business requirements. Historically, airlines had technical staff that worked with airports on capital projects, but in the early 1990s airlines started cutting back on such staff. Consequently, like many other major airports we use the services of an airline liaison service provider to coordinate capital projects, as well as rates and charges and budget information, between the Airport and our airlines. The airlines pay for the cost of these services since this cost is included in the rate base for setting landing fees and terminal rental rates.

Modification No. 1 provides for the additional scope of work outlined on Page 2 of your mem, including the expanded scope of the Boarding Area E renovation, cargo facilities requirement work, and Terminal 3 planning work. This modification also authorizes us to carry forward unspent funds to next fiscal year as some of this work will carryover to next year. In the last two years, unspent funds were zeroed out at the end of the fiscal year.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

8. Award of Terminal 3, Boarding Area "F" Hub Food and Beverage Kiosk Lease Life is Good, LLC dba Fraiche Yogurt

No. 11-0235 Resolution approving the award of Terminal 3 Boarding Area F Hub Food and Beverage Kiosk Lease to Life is Good, LLC dba Fraiche Yogurt.

Mr. Fermin said that this is a new addition to our food and beverage offerings in the Boarding Area F Hub food court. This new dessert kiosk will be located near Lori's diner, in an expanded area of the food court. There was a lot of competition for this lease. Twenty-two proposals were received, but five were disqualified. The evaluation panel reviewed 17 proposals, and rated Fraiche yogurt the highest overall. The concept will be Greek style frozen yogurt. Fraiche yogurt has a shop on Fillmore Street in the City, one in downtown Palo Alto and one of the Stanford campus. We are aiming for a February 2012 opening.

Ms. Patama Gur, Fraiche Yogurt, thanked the Director and the Commission for this opportunity. They are very excited to begin operation.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos, 9 through 17 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

9. Award Contract 9112R - Perform Customer Surveying and Service Benchmarking Associated with the Aviation Service Quality Program - Airports Council International - Not to Exceed $175,000

No. 11-0236 — Resolution awarding Contract 9112R with Airports Council International to perform all activities related to participation in Airport Service Quality Survey and Benchmarking Program.

10. Bid Call - Contract 3590C - Runway Safety Area (RSA) South Field Drainage Improvement

No. 11-0237 — Resolution approving the scope, budget, and schedule for Contract 3590C, Runway Safety Area (RSA) South Field Drainage Improvement, and authorizing the Director to call for bids when ready.

11. BOS Waiver Request and Modified Indemnification Clause to Contract No. 8672A - Runway Safety Area Engineered Material Arresting System Design

No. 11-0238 — Resolution authorizing the Director to request Board of Supervisors to waive competitive bidding requirements and approve a modified indemnification clause for sole-source contract with ESCO for Contract 8672A, Runway Safety Area Engineered Material Arresting System Design.

12. Approval of 2011 Lease and Use Agreement with WestJet, an Alberta Partnership

No. 11-0239 — Resolution approving a Lease and Use Agreement with WestJet, an Alberta Partnership for operating rights at San Francisco International Airport.

13. Commence Request for Proposal Process for Boarding Area C Food and Beverage Kiosk Lease

No. 11-0240 — Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Boarding Area C Food and Beverage Kiosk Lease through a request for proposal.

14. Commence Request for Proposal Process for the Boarding Area F Wine Bar Lease

No. 11-0241 — Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Boarding Area F Wine Bar Lease through a request for proposal.

15. Approve Changes to Business Terms and Authorization to Accept Proposals for Expedited Traveler Service Lease

No. 11-0242 — Resolution approving revised lease specifications, minimum qualifications and proposal requirements, and authorizing staff to accept proposals for the expedited traveler service lease.

16. Modification to Contract Term in the Parking Management Request for Proposals

No. 11-0243 — Resolution approving the modification to proposed contract term in the request for proposals for the management and operation of the Airport's Public and Employee parking facilities.

17. Ratification of the Settlement of Unlitigated Claims of $10,000 or Less and Litigated Claims of $25,000 or Less

No. 11-0244 — Resolution ratifying the settlement of unlitigated and litigated claims for Fiscal Year 2010-2011 amounting to $41,351.16.

* * *

I. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:
There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:36 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

November 15, 2011

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

## EDWIN M. LEE, MAYOR

**COMMISSIONERS**
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

GOVERNMENT
DOCUMENTS DEPT
DEC - 8 2011
SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

| CALENDAR SECTION | AGENDA ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Special meeting of October 25, 2011 | 11-0245 | 4 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 5 |
| E. | | POLICY: | | |
| | 1. | Amendment to Restaurant Employee Benefits Surcharge | 11-0246 | 5 |
| F. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 2. | Award Contract 9076 - Marketing Services - The M-Line | 11-0247 | 5 |
| | 3. | Amendment to FY2011/12 Airport Rates and Charges - Increase International Terminal Parking Garage Daily Maximum Parking Rate | 11-0248 | 5 |
| G. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 4. | Award Contract 9073 - Maintain and Repair Airport Owned Domestic Terminals Passenger Boarding Bridges Baggage Handling Systems -Siemens | 11-0249 | 5-6 |
| | 5. | Award Contract 9102 - Residential Airport Noise Insulation Construction - G&G Specialty Contractors, Inc. | 11-0250 | 6 |
| | 6. | Modification No. 3 - Bond Trustee and Paying Agent Contract - Bank of New York Mellon Trust Co., N.A. | 11-0251 | 6 |
| | 7. | Award Ground Lease to Trillium USA for South-Side Compressed Natural Gas (CNG) Fueling Facility | 11-0252 | 6 |
| | 8. | RFP for a North-Side Compressed Natural Gas (CNG) Fueling Station | 11-0253 | 6 |
| | 9. | Modification No. 1 to Contract 9046 - SAFE Identity Management System - Quantum Secure, Inc. | 11-0254 | 7 |
| | 10. | Bid Call - Contract 3590D - Runway Safety Area South Field Substation "BR" Relocation | 11-0255 | 7 |

| | | | |
|---|---|---|---|
| 11. | Bid Call - Contract 8670A - Runway Safety Area R/W 10R Paving and Lighting | 11-0256 | 7 |
| 12. | Issue RFP - Contract 9134 - Create and Implement Enterprise Strategic Information Security Program | 11-0257 | 7 |
| 13. | Issue RFP - Airport Economic Impact Study | 11-0258 | 7 |
| 14. | Enter into Negotiations - Contract 9019 - Professional Services Agreement for Engineering Services - Access Control Consultant - Security By Design | 11-0259 | 7-8 |
| 15. | Award International Terminal Automated Retail Lease - NEWZOOM, Inc. dba Zoom Systems | 11-0260 | 8 |
| 16. | Exercise Last of Two One-Year Options - Security Checkpoint Mail Service Lease - Airport Mailers | 11-0261 | 8 |
| 17. | Exercise Option Terms for Bay Area Restaurant Group JV - Domestic Terminal Food and Beverage Leases | 11-0262<br>11-0263<br>11-0264 | 8 |
| 18. | MOU with City/County Association of Governments of San Mateo County | 11-0265 | 8 |
| 19. | Increase in Annual Funding Amount for Contract with San Mateo Re Childcare Subsidies | 11-0266 | 8-9 |
| 20. | Assignment of Terminal 2 Sit Down Restaurant Lease From D-Lew Enterprises, LLC to Tastes on the Fly San Francisco, LLC | 11-0267 | 9 |
| 21. | Assignment of Terminal 2 Gourmet Market and Wine Bar Lease from D-Lew Enterprises, LLC to Tastes on the Fly San Francisco LLC | 11-0268 | 9 |
| 22. | Assignment of Domestic Terminal Food and Beverage Lease from SSP America, Inc. to Sistina II, LP | 11-0269 | 9 |
| H. | NEW BUSINESS: | | 9 |
| I. | CORRESPONDENCE: | | 9 |
| J. | CLOSED SESSION:<br>Litigation - Unspecified to Protect Settlement Posture | | 9-10 |
| K. | ADJOURNMENT: | | 10 |

AIRPORT COMMISSION MEETING MINUTES
November 15, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

Hon. Linda S. Crayton, Vice President arrived at 9:11 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 25, 2011 were adopted unanimously.

No. 11-0245

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. POLICY:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Amendment to Restaurant Employee Benefits Surcharge

No. 11-0246 Resolution amending Resolution No. 11-0159, authorizing the Restaurant Employee Benefit Surcharge ("EE Benefits Surcharge"), lowering the health benefit cost requirement for Airport employer participation to $4.00 per hour from $6.00 per hour.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Award Contract 9076 - Marketing Services Contract - The M-Line - $3,000,000

No. 11-0247 Resolution awarding the Marketing Services Contract No. 9076 to the M-Line in the amount of $3,000,000.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Amendment to FY 2011/12 Airport Rates and Charges to Increase International Terminal Parking Garage Daily Maximum Parking Rate

No 11-0248 Resolution approving an increase in the International Terminal Parking Garage daily maximum parking rate from $20.00 to $24.00 per day.

Ms. Cindy Nichol, Acting Deputy Director, Business and Finance, said that this item increases the maximum daily parking rate in the International Terminal (I.T.) garages from $20 per day to $24 per day.

Parking is the fourth largest source of revenue at the Airport after terminal rental rates, landing fees and terminal concessions. Parking generated over $80 million last year, the highest ever for parking the Airport's history.

The last adjustment to the I.T. garage parking rate was on July 1, 2007, when the maximum daily rate was reduced from $22 per day to $20 per day to stimulate demand for overnight parking. As a result of that program and increasing air passenger traffic overnight parking in the I.T. garages has increase 33% and revenue in those garages has increased 40% to $19.1 million in FY2010/11. Peak occupancy in the I.T. garages routinely exceeded 80% in FY2010/11 and, at times exceeded 95%, leaving few spaces for hourly parkers.

We believe it's time to increase the maximum daily rate to free up garage spaces for hourly parkers during peak periods, and generate additional revenue, projected to be about $675,000 per year.

The new rates will be effective January 10, 2012, after most holiday travel is over.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 4 through 22, was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Award Contract 9073 - Maintaining and Repairing Airport-Owned Passenger Boarding Bridges and Baggage Handling Systems in the Domestic Terminals -

Siemens Industry, Inc. - $1,050,000

No. 11-0249 — Resolution awarding Contract 9073 to Siemens Industry, Inc. to maintain and repair Airport-owned Passenger Boarding Bridges and Baggage Handling Systems in the Domestic Terminals in an amount not to exceed $1,050,000 for a period of two years and seven months effective December 1, 2011 with up to two (2) additional one-year options.

5. Award of Contract No. 9102 - Residential Airport Noise Insulation Construction G&G Specialty Contractors, Inc. - $843,905

No. 11-0250 — Resolution awarding Airport Contract 9102 to G&G Specialty Contractors, Inc. for Residential Airport Noise Insulation Construction in an amount not-to-exceed $843,905, 80% of which will be funded with FAA grants.

6. Modification No. 3 to Bond Trustee and Paving Agent Contract with Bank of New York Mellon Trust Company, N.A.

No. 11-0251 — Resolution approving Modification No. 3 to the Airport's Bond Trustee and Paying Agent Contract No. 9186 with Bank of New York Mellon Trust Co., N.A. to increase the total not-to-exceed amount by $800,000 from $1,760,000 to $2,560,000, to fund trustee services in connection with the Airport's bond program for a period of five years, effective April 1, 2012 thru March 31, 2017.

7. Award a Ground Lease to Trillium USA for the South-Side Compressed Natural Gas (CNG) Fueling Facility

No-252 — Resolution awarding a ground lease to Trillium USA for continued operation and improvement of a public access Compressed Natural Gas (CNG) fueling facility on South McDonnell Road.

8. Authorize Staff to Issue a Request for Proposals for a North-Side Compressed Natural Gas (CNG) Fueling Station

No. 11-0253 — Resolution authorizing staff to issue a Request for Proposals to operate and maintain a Compressed Natural Gas Fueling Station on North McDonnell Road and negotiate with the successful proposer.

9. Modification No. 1 to Contract No. 9046 - SAFE Identity Management System Quantum Secure, Inc. - $415,000

No. 11-0254 — Resolution approving Modification No. 1 to sole source Contract No. 9046, SAFE Identity Management System with Quantum Secure, Inc. to increase the contract amount by $415,000 for a total new contract amount of $640,000, to include scope of software maintenance agreement.

10. Bid Call - Contract 3590D - Runway Safety Area (RSA) South Field Substation "BR" Relocation

No. 11-0255 — Resolution approving the scope, budget, and schedule for Contract No. 3590D, RSA South Field Substation "BR" Relocation, and authorizing the Director to call for bids when ready.

11. Bid Call - Contract 8670A - Runway Safety Area (RSA) R/W 10R Paving and Lighting

No. 11-0256 — Resolution approving the scope, budget, and schedule for Contract 8670A, RSA R/W 10R Paving and Lighting, and authorizing the Director to call for bids when ready.

12. Authorization to Issue a Request for Proposals and Enter into Negotiations for Contract 9134 to Create and Implement an Enterprise Strategic Information Security Program

No. 11-0257 — Resolution authorizing staff to issue a Request for Proposals and negotiate a five-year agreement for Contract 9134 to create and implement an Enterprise Strategic Information Security Program.

13. Authorization to Issue Request for Proposals for An Airport Economic Impact Study and to Enter into Negotiations with the Highest Ranked Consulting Firm

No. 11-0258 — Resolution authorizing the issuance of a Request for Proposals for an Airport Economic Impact Study and negotiations with the highest ranked proposer for a professional service contract not-to-exceed $150,000.

14. Authorization to Enter into Negotiations and Prepare a Professional Services Agreement for Contract No. 9019, Professional Engineering Services - Access

Control Consultant - Security By Design

No. 11-0259 — Resolution authorizing staff to enter into negotiations with Security By Design, for Contract No. 9019, Professional Engineering Services - Access Control Consultant, for the new Lenel access control system to be deployed in Terminal 3 and the International Terminal.

15. Award International Terminal Automated Retail Lease - NEWZOOM, Inc. dba Zoom Systems

No. 11-0260 — Resolution approving the award of International Terminal Automated Retail Lease to NEWZOOM, Inc. dba Zoom Systems.

16. Exercise the Last of Two One-Year Options Under the Security Checkpoint Mail Service Lease No. 07-0249 with Airport Mailers, Inc.

No. 11-0261 — Resolution exercising the last of two one-year options under Airport Mailers, Inc.'s Security Checkpoint Mail Service Lease 07-0249, for an option term of March 3, 2012 thru March 2, 2013 under the existing terms and conditions.

17. Exercise Option Terms for Bay Area Restaurant Group JV for Domestic Terminal Food and Beverage Lease Nos. 03-0184, 03-0202, and 03-0204

No. 11-0262
No. 11-0263
No. 11-0264 — Resolution approving exercising the one two-year option for Domestic Terminal Food and Beverage Lease Nos. 03-0184, 03-0202, and 03-0204 with Bay Area Restaurant Group JV.

18. Memorandum of Understanding (MOU) between the City/County Association of Governments of San Mateo County and the Airport Commission

No. 11-0265 — Resolution approving a MOU between City/County Association of Governments (C/CAG) of San Mateo County and the Airport Commission in the amount of $100,000 to provide technical review and community outreach services for a comprehensive Airport Land Use Compatibility Plan in FY 2011/12.

19. Increase in Annual Funding Amount for Contract with County of San Mateo Regarding Childcare Subsidies

No. 11-0266 Resolution authorizing an increase in the annual funding amount from $306,500 to $372,500 for the agreement with the County of San Mateo regarding subsidies for childcare services for Airport families.

20. Assignment of Terminal 2 Sit Down Restaurant Lease No. 10-0032 from D-Lew Enterprises, LLC to Tastes on the Fly San Francisco, LLC

No. 11-0267 Resolution assigning Terminal 2 Sit Down Restaurant Lease No. 10-0032 from D-Lew Enterprises, LLC to Tastes on the Fly San Francisco, LLC.

21. Assignment of Terminal 2 Gourmet Market and Wine Bar Lease No. 10-0029 from D-Lew Enterprises, LLC to Tastes on the Fly San Francisco, LLC

No. 11-0268 Resolution assigning Terminal 2 Gourmet Market and Wine Bar Lease No. 10-0029 from D-Lew Enterprises, LLC to Tastes on the Fly San Francisco, LLC.

22. Asignment of Domestic Terminal Food and Beverage Lease No. 03-0197 from SSP America, Inc. to Sistina II, LP.

No. 11-0269 Resolution assigning Domestic Terminal Food and Beverage Lease No. 03-0197 from SSP America, Inc. to Sistina II, L.P.

* * *

H. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:
Discussion and vote pursuant to the Brown Act (California Government Code Section 54954.3) and the Sunshine Ordinance (San Francisco Administrative Code Section

67.10(d) on whether to conduct a closed session to confer with legal counsel. ACTION ITEM.

The Airport Commission voted unanimously to go into closed session and 9:24 Am..

CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code Section 54956.9(a), Administrative Code Section 67.8(a)(3): Unspecified to protect settlement posture. DISCUSSION ONLY.

There are no other planned agenda items for a Closed Session for the current meeting. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

[RECONVENE OPEN SESSION]

Discussion and vote pursuant to the Brown Act (Government Code Section 54957.1(a)(2) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.12(b)(2) on possible report on action taken in closed session. ACTION ITEM.

Discussion and vote pursuant to the Sunshine Ordinance (San Francisco Administrative Code 67.12(a)) on whether to disclose any or all discussions held in closed session. ACTION ITEM.

The Commission reconvened its public session at 9:41 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:44 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO
# AIRPORT COMMISSION

# MINUTES

**December 6, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 4 |
| B. | | ROLL CALL: | | 4 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of November 15, 2011 | 11-0270 | 4 |
| D. | | ITEMS INITIATED BY COMMISSIONERS: | | 4 |
| E. | | SPECIAL ITEM: | | |
| | 1. | Commendation - Mr. Edward Gomez | 11-0271 | 4-6 |
| F. | | POLICY: | | |
| | 2. | Amendment to Airport Transborder Policy | 11-0272 | 6-7 |
| G. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 3. | Closeout (Mod. 15) - Contract 8757A - Design-Build Services for Terminal 2/Boarding Area D Renovations | 11-0273 | 7-9 |
| | 4. | Award Contract 9078A - New Data Center - Transworld Construction | 11-0274 | 9-10 |
| | 5. | Issue RFQ/P - Contract 9015A - Design-Build Services for Replacement Air Traffic Control Tower and Integrated Facilities | 11-0275 | 11-12 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 6. | Award contract 8496 - AOA Security Checkpoints BASS Electric | 11-0276 | 12-13 |
| | 7. | Issue RFQ - Architectural and Engineering Support Services for Projects in 5-Year CIP | 11-0277 | 13 |
| | 8. | Issue RFQ - Establish Pools of Consultants - Provide Airport Management and Financial Consulting Services | 11-0278 | 13 |
| | 9. | Issue RFP - Professional Services Contract 9194 - Maintenance Support of Baggage Handling Control Systems | 11-0279 | 13 |
| | 10. | Issue RFP - Conduct Independent Audit of CIP | 11-0280 | 13 |

| | | | | |
|---|---|---|---|---|
| | 11. | Mod. No. 2 to Professional Services Contract 8989 - Airport Management & Consulting Services R.W. Block Consulting | 11-0281 | 14 |
| | 12. | Technical Correction: Amend 16 Terminal 2 Concession Leases Correcting Lease Year Definition | 11-0282 thru 11-0297 | 14-15 |
| I | | NEW BUSINESS: | | 15 |
| J. | | CORRESPONDENCE: | | 15 |
| K. | | CLOSED SESSION: | | |
| | | Existing Litigation: Airis SFO LLC, Airis Holdings LLC, and Duane Morris LLP v. CCSF | | 15-16 |
| L. | | ADJOURNMENT: | | 16 |

AIRPORT COMMISSION MEETING MINUTES
December 6, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Linda S. Crayton, Vice President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 15, 2011 were adopted unanimously.

No. 11-0270

* * *

M. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

N. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Commendation for Mr. Edward Gomez

| | |
|---|---|
| No. 11-0271 | Resolution thanking Edward Gomez, Federal Security Director, for his service to the Airport and offering him best wishes on his retirement. |

Mr. John Martin, Airport Director asked Mr. Gomez to step to the podium. Mr. Martin commended Mr. Gomez on his outstanding service to the TSA, the Airport and aviation security. Ed started as the Federal Security Director with the creation of the TSA at SFO in 2002. With nearly 10 years of service, he's the longest, continually serving Category X Federal Security Director in the country. He has

indeed provided exceptional leadership and management and delivered outstanding security and customer service. Ed very much embraced a team approach that has allowed SFO to really shine. That approach was also used with all of our stakeholders. That has been the key to SFO's successful security operations. He gave Mr. Gomez his personal thanks.

Commissioner Guggenhime said that Ed and his beautiful wife, Nina have become personal friends of Judy's and mine in working at the San Francisco General Hospital Board Foundation. Nina's help was invaluable in selecting the heros for the Heros and Hearts lunch. You're a great friend, Ed, and we'll miss you.

Mr. Tryg McCoy, Chief Operating Officer said that as Deputy Director of Operations and Security for many years, Ed and I worked hand in hand to help improve security and safety at SFO. I can't tell you how many times Ed has called me on a Saturday or Sunday night, or anytime about a situation developing at the Airport. Ed always kept me informed of situations. Ed and I worked together to solve problems. Ed also helped me when he thought that I should speak to the FBI, the Police or with some other agency. Ed helped facilitate those conversations. He made sure that we were on the same page, working together on a daily basis. I truly appreciate working with Ed and his entire team ... Jim Adams and others. We look forward to working with his replacement, but Ed has been a very, valuable player in the Airport, and I appreciate it very much. We're going to miss Ed.

Commissioner Johns said that when you came to San Francisco we at the Willie Brown Administration were very, very pleased and on behalf of myself, and I think I can also speak for Mayor Brown who happens to be in Cuba right now, we just want to thank you for your years of service and we will definitely sorely miss you. I wish you well in your new endeavors but I will say San Francisco and the Airport is losing a great team player. So thank you for your 10 years.

Ms. Shelly Kessler, San Mateo Labor Council is glad he is no longer in the highway patrol as I made my way up here. On behalf of the labor community, and some of us here today were in the room when we transitioned at 4:00 AM to Covenant, I just wanted to say, "thank you." Until you're legal team forbid you from talking to me, we were actually able to solve a lot of problems and we did it at the lowest level. We were engaged, we protected the people who had the ability to come back to work, even though some 1,200 people lost their jobs as screeners, through no fault of their own. They were scape goats. You understood that. When the new people came in you made every effort to work with us to make sure they had their rights, that they learned the work that they had to do in a professional and respectful manner and whenever we had problems, up until I was prevented from talking to you, we actually solved a lot of problems. I appreciate that. It's rare that I have an opportunity to thank someone from the Federal Government for anything, but thank you, thank you so much, and I appreciate all your help.

Mr. Ed Gomez said that it's a great day and I appreciate the kind words and the attention. First of all, before I go any further, I would like to introduce my two closest staff members Roberta Kekoa and Jim Adams, my Deputy. One thing this Board needs to know is that San Francisco International Airport has never embarrassed the City of San Francisco. Almost daily the TSA is in the headlines.

USAToday has a block on the front page for TSA stories about improper screening, improper behavior, inability to handle potential breaches or other emergencies. It's never happened in San Francisco because your leadership, Mr. Martin, Mr. McCoy and thank you for all the other people who are here from the Airport, I appreciate it very much. We work together as a team. On day one, I called John before I went to see Willie. The first thing Willie said was, "what are you going to do Ed?" I said, I'm sure I'm gonna try not to trip the Airport so we're going to be friends. John immediately said that we are going to do this thing together.

The reason I picked San Francisco, and I got to pick because I was the third Security Director out of 150 hired, was because I knew this was a progressive City. I knew this Airport had already been upgraded even before all of the Federal statutes were implemented. You have to have this equipment, you have to be configured this way ... San Francisco had done most of that, not because you had to, but because you knew it made sense. John had already arranged for in-line explosive detection system. John had already arranged for the best equipment in terms of xrays and walkthrough metal detectors. But more importantly, John's position was that we're going to move forward together. And as Shelley said, those days when we rolled out were amazing. We used to meet in the "war room" at Spruce Street, a building the Airport leased, every night at 6pm ... everybody, attorneys, labor leaders, Airport managers and TSA employees. We all asked how were we going to hire 1,500 employees, design a uniform, get them in place, get them trained, and then open up the doors for business in 30 days. We did it, and we did it because everybody worked together.

Mr. Martin has come to you many times for assistance in terms of more money, more equipment, upgrades, and you see the next level of upgrade with a new tower, and this Board has always cooperated knowing that when John asks he really needs it. Every time he got an improvement for the Airport, it made my job a lot easier. So, for almost ten years, I'm proud to say, I was part of something that was wonderful ... Team SFO. When you go through your Airport and you see "Team SFO" on the shirts of the security officers, and this pin on my lapel, you know that John and I created a culture that said one mission, one voice, one fight, and we're winning that fight. Thank you for your help, thank you for this acknowledgment. I truly appreciate it. Thank you.

* * *

F. POLICY:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Amendment to Airport Transborder Policy

No. 11-0272 Resolution ending the trial period for the Airport Transborder Policy and allowing the policy to remain in effect on a continuos basis.

Mr. Leo Fermin, Deputy Director, Business and Finance said that this past January

the Commission approved a Transborder Policy on a trial basis through the end of this month. The policy was intended to make SFO more competitive in the Mexico and Canada markets and attract more service. The policy does two things, first by allowing transborder flights to depart from either the International Terminal or any domestic terminal, carriers can avoid the added cost of split departing domestic and international operations. Second, carriers who operate transborder flights have the option to elect into a transborder turn fee rather than paying the normal joint use cost allocation that's used in the International Terminal. For carriers with one daily transborder flight, this election would save them about 50% of the cost.

I'm pleased to report that the policy has been successful. In this past year, we've seen new service added to Los Cabos, Cancun, Guadalajara, Puerto Vallarta and Mexico City ... on average about 6 new daily flights to these destinations. We recommend continuing the Transborder Policy beyond the one year trial period.

* * *

G. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Closeout (Mod. No. 15) of Contract 8757A - Design-Build Services for Terminal 2/ Boarding Area D Renovations within the Overall Program Budget - $15,065,713

| | |
|---|---|
| No. 11-0273 | Resolution approving Closeout (Mod. 15) of Contract 8757A, Design-Build Services for Terminal 2/ Boarding Area D Renovations with Turner Construction Co., in the amount of $15,065,713, establishing the final Guaranteed Maximum Price for the contract in the amount of $398,324,030, and completing within the overall Program Budget. |

Mr. Ivar Satero, Deputy Director, Design and Construction said this item provides for the final modification and close-out of the Terminal 2 (T2) Renovations contract with Turner Construction, which results in a final contract value of $398,324,030. This close-out modification provides primarily for changes which were required at the end of the project to ensure successful activation and opening of the terminal and to ensure the project meets the needs of our concession and airline tenants. It also provides for $2 million to replace the temporary and disparate cellular service infrastructure installed by the cellular service providers just prior to opening. Most of the changes in this modification occurred under the T2-related projects, not under the original T2 Renovations program, with a budget of $383 million. The changes required as part of the original T2 program amount to $2.98 million, which essentially completes the Program on budget at $382.9 million. The changes required under the T2-related projects were additional scope, and therefore were accompanied by the necessary budgets, as the work was either contemplated as part of other Airport capital projects, or was additional work requested by tenants and within the Airport's obligation to provide.

As a total program, with all costs in, the work is completing at just under $440 million, in comparison to the budget of $441.7 million. To provide the Commission with an evaluation of the performance of this program in terms of the final costs, Staff has analyzed the various changes to the original scope, and notes that the T2 Renovations scope of work, under the $383 million budget, had a total cost growth of $13.6 million, or 3.8%. For the T2-related scope, under the $43.9 million budget, we experienced a total cost growth of $1.4 million, or 3.3%. In comparison, other similar, major terminal renovations, based on input from the Advisory Board, typically experience 15 to 20% cost growth, and anything under 10% would be considered successful. Staff attributes much of the success of this program to it's extensive partnering program, the extensive engagement of Airport Staff from all divisions throughout the project life cycle, the excellent collaboration with Turner and Gensler and the effectiveness of the design-build project delivery method.

From a technical standpoint, processes and management controls, things worked very well. The ARRA audit and internal audits, were successful. We had a high level of LBE and local firm participation, and we achieved LEED Gold Certification.

Things we learned going forward with Boarding Area E regarding all points of connection from a total passenger experience perspective. We need a clear understanding of not only the facility requirements, but how it impacts all other facilities.

Commissioner Johns noted that the original budget was $382 million and we ended up with $441 million, or $59 million more. Correct? I understand we had changes.

Mr. Satero responded yes. The original budget was $383 and we just squeaked by under budget for that original program scope. Additional scope was added as we went through the program ... the T2 renovation scope. First is the T2 related scope and then we developed different categories because we found that additional scope was desirable in terms of delivering a complete project at the end of the day.

Mr. Martin asked Mr. Satero to highlight the additional scope again.

Mr. Satero said that we added significant scope. We weren't going to touch the roadway, bridges, or sidewalk widenings ... it wasn't part of the original $383 million. Then we decided to take care of the whole front of the building, the drop off, the bridges, the structures going out to where the buses drop off and everything else. We wanted to widen sidewalks for drop off. The tunnel access from the garage into Terminal 2 was added to the T2 related projects.

Commissioner Johns thought that we needed a broader vision from the beginning.

Mr. Satero agreed.

Commissioner Crayton didn't understand the $2 million for cellular. Does that mean we spent $2 million on a temporary cell system, or we had a temporary cell system and then we had to spend $2 million to make it work properly.

Mr. Satero responded that the cellular service providers were responsible for their

systems inside of Terminal 2 and two years ago we had them all walk through the building to test cellular service. They assured us that everything was fine and not to worry about it. About a month and a half before opening we found that cell service was terrible, and the airlines rely on it for their day to day operations. So, the service providers ... Sprint, Verizon, AT&T ... ran cabling everywhere at their cost and access points to make sure that coverage occurred on Day 1. This puts the Airport's own network inside of the terminal and controls that network. It's $2 million for the Airport to deploy it's own cellular service network.

Commissioner Crayton asked if there are two separate systems now.

Mr. Satero replied no. We would get rid of all the temporary cabling installed by the service providers, and then they would be required to ride on our system.

Commissioner Crayton assumed that the conduit was there and we are just running new cable.

Mr. Satero said that it's all new conduit and cabling because it was a temporary installation.

Commissioner Crayton assumed that we will become a provider.

Ms. Theresa Lee, Deputy Director, Administration & Technology said we are still refining the details. If you wish, I will prepare a status report.

Commissioners agreed that it's a great terminal.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was 4 to 1 with Commissioner Mazzola casting the dissenting vote.

4. Award Contract 9078A - New Data Center - Transworld Construction - $1,485,000

No. 11-0274 — Resolution Awarding Contract No. 9078A, New Data Center to Transworld Construction, for Design-Build Services in the initial amount of $1,485,000.

Mr. Satero said this contract provides design-build services for a New Data Center to be located adjacent to our existing South MPOE facility. This contract provides for two primary scopes of work. First, the construction of the Data Center, as part of the City's Data Center Consolidation project being undertaken by the City's Department of Telecommunications and Information Services (DTIS). This project will consolidate City-wide mission critical IT systems into 2 data centers to improve efficiency and reliability of the City's IT infrastructure. We will host one of these facilities and provide for its design and construction. The second scope upgrades our existing South MPOE facility to meet the tier 2 level facility designation.

Five proposals were received in response to the RFP and all were determined to be qualified to provide the required services. Four of the proposing firms are new participants at SFO.

Staff convened a Selection Panel to review and score the written proposals and conduct interviews with the top three ranked firms and their key personnel. Staff reviewed the price proposals and scored the firms in accordance with the cost calculation contained in the RFP. The cost component was determined through a calculation of proposed design cost, mobilization cost, general conditions cost, and mark-up for overhead and profit. In accordance with City requirements, the criteria used to evaluate the firms was weighted 65% on cost and 35% on qualifications. Following application of the LBE rating bonus, Transworld was determined to be the highest ranked firm with a score of 720.85, representing the "best value" to the Airport for design-build services. The $1,485,000 initial award amount will fund the design fee, mobilization, general conditions cost and an allowance of $250,000 for early activities. Staff will return to award trade bid packages to Transworld as the design is completed and packages are competitively bid to a minimum of three prequalified bidders. At each stage of award, the Commission will be updated on schedule and cost forecasts against the established budget, with recommended mitigations, as necessary. The total GMP will be presented to the Commission near the end of bidding all trade packages. Transworld has committed to achieve the 24% HRC LBE subcontracting goal. HRC and Airport Staff will work with Transworld to establish individual goals on the construction subcontractor trade packages to achieve this overall goal. Funding will come from DTIS for the Data Center scope of work and the Airport's Capital Improvement Program for SMPOE upgrades. Substantial completion is anticipated by October 2012.

Commissioner Crayton asked why overall construction wouldn't have an LBE component?

Mr. Satero responded that overall the LBE component is essentially the prime bidder who gets the 10% ... and Trico and Transworld get that. Overaa is not a certified LBA firm.

Commissioner Mazzola asked, so why are they allowed to participate?

Mr. Satero replied it's there. You know they make a business decision, they know who the bidders are because they come to the pre-bid meeting as well and so they know they are competing against LBEs, in fact, one firm pulled out because of the 10% that they would have to overcome in their competitive pricing to be successful.

Commissioner Mazzola asked if they automatically start at -10% if they aren't an LBE.

Mr. Satero said that's correct.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. Issuance of a Request for Qualifications/Proposals for Contract 9015A - Design Build Services for Replacement Air Traffic Control Tower and Integrated Facilities

No. 11-0275 Resolution authorizing the Airport to issue a Request for Qualifications/Proposals for Contract No. 9015A, Design Build Services for Replacement Air Traffic Control Tower and Integrated Facilities.

Mr. Satero said this item provides for a Combined RFQ/P for Design-Build services for the Replacement Air Traffic Control Tower and Integrated Facilities. The scope of work to be provided through this contract is closely coordinated with the previously awarded Contract 9015.1, Master Architect for Replacement Air Traffic Control Tower/Terminal 1 Complex Redevelopment Program. Schematic Design initial work products from Tasks 1 and 2 of the Master Architect contract will be prepared as the bridging document for this contract. This allows us to bring aboard the design-build team to work in collaboration with the Master Architect as the Master Architect finishes the Task 2 Schematic design. Initial work during this phase will include preconstruction services such as estimating, scheduling, phasing, constructability and site logistics. These services will assist the Airport's and FAA's decision-making while the design is being developed to ensure a successful program delivery. Once Master Architect Task 2 is completed, the design-build team will assume full responsibility for completing the design and constructing the facilities within the established schedule, per the Airport's OTA obligation with the FAA.

We are again proposing the design-build methodology. Efficiencies in design and construction contracting translate into time savings, and ultimately reduced project costs, and greater reliability in schedules. And, as we have seen with the Secure Connector and Terminal 2 projects, with the early engagement of the contractor, decisions are better informed in terms of cost and schedule impacts.

In the RFQ/P process, firms will be evaluated on both cost and qualifications, to determine the firm providing the best value to the Airport, in accordance with the design-build ordinance of the Administrative Code. The cost criteria will be based on the design fee, general conditions cost and mark-up for overhead and profit.

For evaluation of qualifications, Staff will prequalify firms based on the minimum qualification requirements of the RFQ. Staff will then convene a selection panel to review and score the proposals of the prequalified firms in accordance with the RFP criteria, including past expertise and experience in airport control towers and similar type structures. Based on the scoring of the proposals, Staff will shortlist up to five of the top scoring firms, who will then be invited to oral interviews with the selection panel. At the conclusion of the interviews, the firms will be ranked based on the sum of their scores in the proposals, interviews and cost calculation. Staff will then return to the Commission with a recommendation to award a contract to the highest ranked firm.

Due to the federal funding component for these services, the HRC LBE participation program does not apply. Staff will work with Airport Small Business

Affairs staff to develop a small business program for these services to engage the participation of local, small and disadvantaged businesses.

Funding will be provided through the Airport's OTA with the FAA for FAA-related facilities, and from the Airport's Capital Improvement Program for Airport facilities.

Commissioner Johns asked how the Federal portion of the $58 million works. Do they absorb some of the overages or will it depend on whether its Airport facilities or federal. How does that formula work out? Is it done on some ratio basis.

Mr. Satero said that in fact, the $58 million is the budget for the Tower and the FAA facilities is $69 million. That provides for that $58 million as well as the soft costs. Over and above that $69 million, there is a federal contingency that is part of the OTA that is a limitation on funds, so there is contingency for the FAA. Any FAA change will be covered 100% from their contingency. Any change that's an Airport change, will be covered from 100% from Airport funds. If it's a change in shared foundations for instance, and we do share foundations on this project which is part of the efficiency of it, there will be an allocation cost. And so we will develop allocation methodology on how to share that cost.

Commissioner Mazzola noted that it's a good looking project.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item nos. 6 through 12, was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

6. Award Contract 8496 - AOA Security Checkpoints - BASS Electric - $1,863,010

No. 11-0276 Resolution awarding Contract No. 8496, AOA Security Checkpoints Improvements, to BASS Electric, in the amount of $1,863,010.

Commissioner Mazzola felt that there should be a little discussion to make this public. The change in the Engineer's estimate on Item 6. We've often had these concerns about the Engineers estimate and I think it would be a good idea to bring it to everybody's attention. Since it was here I think it's great that you're doing that.

Mr. Satero said that we have a new division called Design and Construction, which is an integration of the Bureau of Design and Construction (BDC) with Facilities Engineering and Architecture. Processes were a little different between those two organizations so one of my immediate tasks was to develop consistency and project delivery in the single integrated organization. One thing I found was that Bid Calls were requested very early on in the project before it had even gone to paper. As a result, they lacked good scope definition so the estimates were not as reliable as they would be after you've gotten to a 95% design. So, that was the process in BDC and now this process is. When we come for Bid Call we have an updated estimate. If the project is of sufficient complexity, we will bring in a third party to help us estimate the work. A lot of work can be estimated in-house but, if

it's complicated we need a third party independent estimate. Now, when we come to you for Bid Call it will be at a point where the scope is well defined and we have more certainty with economic bidding conditions because we'll be bidding the project essentially in two months, not a year or even longer as has happened. Hopefully, this process will provide a more reliable Engineer's estimate.

Commissioner Johns said that in the past we were very frustrated with the differences between the Engineer's estimate and what we ended up approving. I appreciate this and wanted to call attention to it.

7. Authorization to Issue a Request for Qualifications for Architectural and Engineering Support Services for Projects of the Airport's 5-Year Capital Improvement Program

| | |
|---|---|
| No. 11-0277 | Resolution authorizing issuance of a RFQ for Architectural and Engineering Support Services to create four consultant pool lists for the following design services: Architectural and Engineering; Structural; Airfield Design and Studies; and Geotechnical Engineering and Land Surveying. |

8. Authorization to Issue a Request for Qualifications to Establish Pools of Consultants to Provide Airport Management and Financial Consulting Services

| | |
|---|---|
| No. 11-0278 | Resolution authorizing issuance of a RFQ to establish pools of consultants to provide Airport Management and Financial Consulting Services. |

9. Authorization to Issue a Request for Proposals for Professional Services Contract No. 9194 - Maintenance and Support of Baggage Handling Control Systems

| | |
|---|---|
| No. 11-0279 | Resolution approving issuance of a RFP for Professional Services Contract No. 9194, Maintenance and Support of Baggage Handling Control Systems and to negotiate with the highest ranked proposer. |

10. Authorization to Issue a Request for Proposals to Conduct an Independent Audit of the Airport's Capital Improvement Program

| | |
|---|---|
| No. 11-0280 | Resolution authorizing issuance of a RFP to conduct an independent audit of the Airport's Capital Improvement Program and authorizing Director to enter into negotiations with the highest ranked firm. |

11. Modification No. 2 to Professional Services Contract No. 8989 - Airport Management and Consulting Services - R. W. Block Consulting, Inc. - $120,000

No. 11-0281 — Resolution approving Modification No. 2 to Professional Services Contract 8989 with R.W. Block Consulting, Inc. to add one year of Airport Management and Consulting Services related to Capital Improvement project cost reports and a Passenger Facility Charge application and to increase the total not-to-exceed contract amount by $120,000 from $225,000 to $345,000.

12. Technical Correction: Amendment of Sixteen Terminal 2 Concession Leases Correcting Lease Year Definition

Resolution amending sixteen Terminal 2 Concession Leases to correct lease year definition.

| | |
|---|---|
| No. 11-0282 | • Gourmet Market & Wine Bar Lease - Tastes On The Fly San Francisco, LLC |
| No. 11-0283 | • Coffee and Bakery Facilities Lease - Gotham Enterprises, LLC |
| No. 11-0284 | • Cocktail Lounge Lease - HBF Soto JV, LLC |
| No. 11-0285 | • Sit-down Restaurant Lease - Tastes On The Fly San Francisco, LLC |
| No. 11-0286 | • Quick Serve Lease - Sankaku, Inc. |
| No. 11-0287 | • Quick Serve Lease - Andale Management Group, Inc. |
| No. 11-0288 | • Quick Serve Lease - BJ Annex, LLC |
| No. 11-0289 | • Quick Serve Lease - HBF Soto JV, LLC |
| No. 11-0290 | • Book Store Lease - Books, Inc. |
| No. 11-0291 | • (Terminals 2 & 3) Electronics and Technology Lease - Edge 1 Cellular, L.P. |
| No. 11-0292 | • Museum Store Lease - Avila Retail Development and Management, LLC |
| No. 11-0293 | • Regional Gift Store Lease - Avila Retail Development and Management, LLC |
| No. 11-0294 | • (Terminals 2 and 3) Spa Lease - Xpresspa International San Francisco, LLC |
| No. 11-0295 | • Travel and Accessories Store Lease - RDG Concessions, LLC |
| No. 11-0296 | • Newsstands, Coffee and Specialty Stores Lease - Host International, Inc. |
| No. 11-0297 | • Specialty Store Lease - Melshire DFW, L.P. |

Commissioner Crayton noticed that you're only taking so many of the leases to the Board of Supervisors rather than all of them. Why is that?

Mr. Fermin responded that we are taking them back to the Board of Supervisors. These are all the leases that have that quirk in the language. The problem was that we commenced in April and not in the beginning of the year, but language was used to set up through the end of next fiscal year, and somehow it didn't catch that. That

included the first eight months of the year plus the twelve months. It was just a mistake on our part.

* * *

I. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:
Discussion and vote pursuant to the Brown Act (California Government Code Section 54954.3) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.10(d) on whether to conduct a closed session to confer with legal counsel. ACTION ITEM.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:45 AM and the closed session began.

CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code Section 54956.9(a), Administrative Code Section 67.8(a)(3): *Airis SFO, LLC, Airis Holdings LLC, and Duane Morris LLP v. City and County of San Francisco et al.,* San Mateo Superior Court, Case No. 448274, filed June 15, 2005. Discussion of possible proposed settlement and resolution recommending approval by the Board of Supervisors. ACTION ITEM

There are no other planned agenda items for a Closed Session for the current meeting. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

[RECONVENE OPEN SESSION]

Discussion and vote pursuant to the Brown Act (Government Code Section 54957.1(a)(2) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.12(b)(2) on possible report on action taken in closed session. ACTION ITEM.

Discussion and vote pursuant to the Sunshine Ordinance (San Francisco Administrative Code 67.12(a)) on whether to disclose any or all discussions held in closed session. ACTION ITEM.

The Commission reconvened its public session at 10:28 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:29 AM.

Jean Caramatti
Commission Secretary

# SAN FRANCISCO AIRPORT COMMISSION

# MINUTES

**December 20, 2011**

**9:00 A.M.**

**Room 400 - City Hall**
**#1 Dr. Carlton B. Goodlett Place**
**(400 Van Ness Avenue)**
**City and County of San Francisco**

## EDWIN M. LEE, MAYOR

**COMMISSIONERS**
**LARRY MAZZOLA**
**President**
**LINDA S. CRAYTON**
**Vice President**
**ELEANOR JOHNS**
**RICHARD J. GUGGENHIME**
**PETER A. STERN**

**JOHN L. MARTIN**
**Airport Director**

GOVERNMENT
DOCUMENTS DEPT
JAN 19 2012
SAN FRANCISCO
PUBLIC LIBRARY

**SAN FRANCISCO INTERNATIONAL AIRPORT**
**SAN FRANCISCO, CALIFORNIA 94128**

| CALENDAR AGENDA SECTION | ITEM | TITLE | RESOLUTION NUMBER | PAGE |
|---|---|---|---|---|
| A. | | CALL TO ORDER: | | 3 |
| B. | | ROLL CALL: | | 3 |
| C. | | ADOPTION OF MINUTES:<br>Regular meeting of December 6, 2011 | 11-0299 | 3 |
| D. | | SPECIAL ITEM: | | |
| | 1. | Retirement Resolution for Jackson Wong | 11-0300 | 3-4 |
| E. | | DIRECTOR'S REPORTS: | | |
| | 2. | Annual Report of Airport Contract Awards to L/DBE for Fiscal Year 2010-2011 | | 4-5 |
| F. | | ITEMS INITIATED BY COMMISSIONERS: | | 5 |
| G. | | ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: | | |
| | 3. | Award Luggage Cart Lease & Operating Agreement - Smarte Carte Inc. | 11-0301 | 6 |
| | 4. | Award Expedited Traveler Service Lease - Alclear LLC | | 6 |
| | 5. | Authorization to Issue RFP - Comprehensive Analysis of Terminal Signage and Wayfinding Program | 11-0302 | 7-8 |
| H. | | CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: | | |
| | 6. | Award Contract 8918 - As-Needed Management Development - ZBA Associates, LLC | 11-0303 | 8 |
| | | Award Contract 9189 - As-Needed Management Development - Piras Group | 11-0304 | |
| I. | | NEW BUSINESS: | | 8 |
| J. | | CORRESPONDENCE: | | 9 |
| K. | | CLOSED SESSION: | | 9 |
| L. | | ADJOURNMENT: | | 9 |

AIRPORT COMMISSION MEETING MINUTES
December 20, 2011

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:01 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

| | |
|---|---|
| Present: | Hon. Larry Mazzola, President<br>Hon. Eleanor Johns<br>Hon. Richard J. Guggenhime<br>Hon. Peter A. Stern |
| Absent: | Hon. Linda S. Crayton, Vice President |

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 6, 2011 were adopted unanimously.

No. 11-0299

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Retirement Resolution for Jackson Wong

No. 11-0300 — Resolution commending and thanking Jackson Wong after 38 years of service to the City and County of San Francisco, 24 years with the Airport.

Mr. John Martin, Airport Director asked Jackson to come to the podium. Jackson is retiring after an outstanding 38-year career with the City, 24 years at the Airport. He started at the Airport as a student Engineer while he was at UC Berkeley Engineering school. He became a full time employee in 1975 as a Resident Engineer and then was recruited away by DPW in 1981. He rose to become Chief of the Bureau of Engineer's in DPW before he was recruited back at the Airport in 1994 as Airport Deputy Director for Facilities Operations and Maintenance. In 1998 he was appointed as the first Airport Chief Operating Officer and has continued in that role for the last 13 years. I've personally relied upon Jackson closely for his dedicated, calm, wise, very smart leadership skills. He lead the opening of Terminal

2 and the activation and opening of the International Terminal and the related facilities. He is tremendously respected by Airport staff that he's worked with over the years. And so again, I want to thank Jackson for his outstanding service. Jackson will continue doing a little part time work with us, overseeing the construction advisory board and continuing to give us his sage advise on an item.

Mr. Jackson Wong, Chief Operating Officer said, 38 years, a lot of good memories and it's been just a wonderful career. The privilege of working with John, with the Commission, and staff ... the people right behind me that I'll miss. I'm not usually emotional. I don't think anyone has seen me get excited or emotional at all in my career, and I pride myself in that so I feel horrible that I can't control my emotions at this moment. It's an emotion of happiness, excitement. I'm looking forward to the next stage, and I just want to thank everyone for the recognition. For John in giving me the opportunity, for all the Deputies and the help they've given me. I couldn't do it without them. I want to mention my wife, Correne, we're partners in life. I wouldn't be able to do what I do at work without her. And my replacement, Tryg. You will be in great hands with him. I think the Airport will continue to do many great things in the future. Thank you.

Commissioner Guggenhime said that the first thing I want to tell you is when you go on to the next stage, I want daily and weekly reports since I'm the oldest person here, on this podium, anyway. I thought of next stages too, so please keep me posted. Your graciousness, your articulateness, your wisdom, your sense of humor, and your devotion to your job is just extraordinary and we will miss you a lot.

Commissioner Johns said that as the only female Commissioner present today, I love the emotion. And I think it's a reflection of all the good work that you've done and that those folks who worked with you received from you. We want to thank you for all of your great years of service to the City and County of San Francisco and the Airport. Good luck to you and your new profession. But we'll still be seeing you as you just indicated that you will be spending some hours with us, and we're happy about that.

Commissioner Mazzola said first I want to thank Richard for saying he's the oldest on the Board, because I thought I was. Life is funny ... you get teary eyed, you start crying a little because you're retiring. I cry because I'm working. But working with you has been a pleasure. I'm glad to hear that you're staying on in some capacity because we really need your skills. Thank you for being a gentleman to me all the time. I appreciate that very much. I wish you luck in retirement.

Commissioner Stern said I'm actually the oldest on the Commission. You know but Jackson I really want to thank you for all of the support you provided in my first year on the Commission ... in my on-boarding and the mentorship. I wish you the very best in the years ahead.

* * *

E. DIRECTOR'S REPORTS:

2. Annual Report of Airport Contract Awards to Local and Disadvantaged Business

Enterprises for Fiscal Year 2010-2011

FY 2010-2011 Annual Report of Airport Contract Awards to LBEs and DBEs.

Ms. Sandra Crumpler, Manager, Airport Small Business said this report identifies the annual achievements for contract awards to local and small businesses for FY 2010/11. During FY2010/11 the Commission approved over $69,000,000 in contract awards for 10 construction contracts, 19 professional services contracts, eight concession leases, and one management agreement. Approximately $11.8M, 41% in total subcontracting dollars were awarded to local and disadvantaged businesses which includes non-San Francisco firms. Thirty-five percent of concession leases went to ACDBEs (Airport Commission Disadvantage Business Enterprise) and that was about three leases. In comparison to last year's contract awards, there was an increase of LBE awards by 20% in construction and professional services contracts. In Chart One there's a summary of the awards and they're listed by the three programs in which we track for LBE and DBE participation. Chart One shows the construction program which includes the LBE program (LBE goal requirement) and there were seven contracts. Then we had Federally funded construction and professional services which has the Federal DBE program ... that was 10 contract awards, and the professional services which also had the City's LBE program ... that was 12 awards, and six of those contracts received HRC waivers.

On December 1st we submitted a report to the FAA on the DBE Federal program ... that was 21% DBE participation on those contracts. In March we will submit a report to the FAA again for the ACDBE, the concession portion of the program and that report will show 35% of the number of the leases went to minority of women-owned businesses. In addition to this report there's a further breakdown of the contracts by contractor name, contract title, subcontractors and dollar amounts. Staff held and participated in several outreach activities this year. They were the Airport Open House on Future Contracts and Opportunities held on September 12, 2011, and the Airport Runway Safety Area Projects informational meeting held November 30, 2011. We also participated in the HRC Town Hall meeting at the Southeast Community facility in November, and most recently we participated in the HRC Workshop on City contracting with other City and State agencies and departments on December 12, 2011. All of these events were well attended by local and small businesses. About 30% of these businesses were new to the Airport.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Award Luggage Cart Lease and Operating Agreement - Smarte Carte Inc. - $610,000

No. 11-0301 Resolution awarding the Luggage Cart Lease and Operating Agreement to Smarte Carte Inc. for a term of five (5) years, with one (1) two-year option.

Mr. Leo Fermin, Deputy Director, Business and Finance said, this Lease and Operating Agreement for luggage carts at the Airport has two parts. First, for carts rented Airport wide outside of Customs and Immigration, we received a greater of the minimum annual guarantee or 25% of gross revenues. Within the Customs and Immigration facility, we pay the operator a $1.20 per cart used by an arriving passenger. This payment has a maximum cap each year. For the first year of this lease, we project that we'll receive close to $700,000 in rent which will offset about $1.9M for the carts in Customs and Immigration leaving us with a net expense of $1.2M. This net expense is provided for in our Operating budget each year. In the U.S. there are only three companies providing this service, however, RFPs were sent to 30 interested parties and we reached out to two other companies. One proposal was received from Smarte Carte Inc.

Commissioners Johns said that this whole concept of paying out of pocket for this troubles me. I don't know what other airports do but I didn't realize that we have an expense of $1.2M a year. What other airports do?

Mr. Martin said that almost all airports have free carts. There was a movement in the U.S. the last 15 years from paid carts in Customs to free carts in Customs. Most U.S. airports have free carts in Custom. However, in recent years there has been a small move away from free carts to pay carts ... Kennedy being one.

Mr. Fermin added that the Port Authority of New York and New Jersey moved away from free carts.

Mr. Martin said that in our goal to be Number One, to be the best in customer service, I think it continues to be important that we offer this service.

Commissioner Guggenhime asked how there can only be two bidders if you're making a $1.2M a year?

Mr. Fermin said altogether there are three companies, and in the majority of airports Smarte Cart is the operator.

Item No. 4 was removed from the calendar without discussion.

4. Award of the Expedited Traveler Service Lease - Alclear LLC - $650,000

Resolution awarding the Expedited Traveler Service Lease to ALCLEAR, LLC for a term of three years, with one three-year option.

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Authorization to Issue a Request for Proposals for a Comprehensive Analysis of the Terminal Signage and Wayfinding Program

No. 11-0302 — Resolution approving the issuance of a Request for Proposals for Contract No. 9190 for a consultant to conduct a comprehensive analysis of the Terminal Signage program at San Francisco International Airport and authorize staff to conduct negotiations with highest-ranked proposer.

Mr. Jeff Littlefield, Deputy Director, Operations and Security said that this item seeks approval to issue a Request for Proposals to select a consultant to conduct a comprehensive review and analysis of our current Signage and Wayfinding program. Standards for our current program were last written in 2000, during the International Terminal Master Plan. Many changes have occurred since then which include the addition of Terminal 2, multiple airline location moves, mergers and the movement of ground transportation operators. The Airport seeks to hire a consultant to accomplish a thorough review of the existing Signage and Wayfinding program to identify best practices at other similar size airports and to provide policy guidance and recommendations for an improved airport-wide Signage and Wayfinding program. The consultant will conduct passenger surveys and focus groups working directly with customers and employees to assess how passengers react to our current Signage and Wayfinding program. In addition, the consultant will specifically address the five most problematic areas which pose the greatest challenge to travelers. Recommendations will incorporate environmental graphic design principals which take to account architecture, industrial design and landscape architecture. They will determine the best placement for signage as well as specific measures to reduce visual clutter throughout the Airport. Our goal is to achieve the highest standards by implementing a state of the art program. Terminal 2 signage has been well accepted and very successful and we would like it used as a model as assessments and recommendations are made throughout the rest of the Airport. Please note that the Airport does have a talented Signage Coordinator on staff and a very good Sign Shop. Having said that, there may be possible future signage requests for related construction if there are recommendations we choose to implement that cannot be accomplished in-house.

Commissioner Johns asked what were the five most problematic areas.

Mr. Littlefield replied that there are a number of areas that pose challenges throughout the Airport to passenger travel that we hear about frequently and we would like to work with the consultant as we identify those areas to ensure that they're being addressed in their recommendations.

Commissioner Johns assumed that this new signage study would be within the Airport and it will not be coordinated with Caltrans and whatever signage there is on the freeways, or for our cell phone lot.

Mr. Littlefield agreed. This will address the terminals. The other elements would be parking garages and the roadways. But at this point the focus is on the terminals.

Commissioner Johns hoped that the consultants really get down to customer usage. She recalled being on the people mover after the International Terminal was built and having trouble locating BART, or knowing which direction to go on which train. There are some real practical issues. I hope we get down to the nitty gritty of foreign travelers using this and making it real basic. Consultants aren't necessarily everyday users. It's got be a practical study.

Mr. Martin said that's the intention and why we think Terminal 2 is a good model. It's working well and we want to carry that through, especially in the International Terminal. The design makes it challenging so I'm sure it's going to be a primary focus area.

Mr. Littlefield said that best practices from other airports, along with surveys will be assessed.

Commissioner Guggenhime asked if we went through the same process for Terminal 2.

Mr. Martin responded that he assumed that the consultant who developed the Terminal 2 signage will be one of the companies who will be pursuing this contract.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 6 as moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Award Contract 8918 for As-Needed Management Development - ZBA Associates, LLC - $150,000
Award Contract 9189 for As-Needed Management Development - Piras Group - $150,000

| | |
|---|---|
| No. 11-0303 | Resolution awarding Contract 8918 to ZBA Associates, LLC, and |
| No. 11-0304 | Contract 9189 to the Piras Group for as-needed management development training to Senior and Managerial staff. |

* * *

I. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM.

Jean Caramatti
Commission Secretary

54758

Houchen
Bindery Ltd
2012